

AUTOMOTIVE EXECUTIVE

JUNE 1986 OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION



PROJECT 2000

DISTRIBUTION • LAND USE • CUSTOMER SATISFACTION • TRAINING • ADVERTISING • SALES PRACTICES • FIELD RELATIONS • FRANCHISE AGREEMENTS • SERVICE • DEALER ATTITUDES • GOVERNMENT REGULATIONS • COMPUTERS • TECHNOLOGY • MANAGEMENT • DISTRIBUTION • LAND USE • CUSTOMER SATISFACTION • TRAINING • ADVERTISING • SALES PRACTICES • FIELD RELATIONS • FRANCHISE AGREEMENTS • SERVICE • DEALER ATTITUDES • GOVERNMENT REGULATIONS • COMPUTERS • TECHNOLOGY • MANAGEMENT • DISTRIBUTION • LAND USE • CUSTOMER SATISFACTION • TRAINING • ADVERTISING • SALES PRACTICES • FIELD RELATIONS • FRANCHISE AGREEMENTS • SERVICE • DEALER ATTITUDES • GOVERNMENT REGULATIONS • COMPUTERS • TECHNOLOGY • MANAGEMENT • DISTRIBUTION • LAND USE • CUSTOMER SATISFACTION

ECONOCARE™ THE LAST SERVICE CONTRACT YOU EVER NEED TO CARRY.



(IT'S A UNIVERSAL SPECIALTY. WHAT MORE DO YOU NEED TO KNOW?)

Because EconoCare™ is here to stay. With everything it needs to sell itself to your toughest new and used-vehicle customers. That includes a second-to-none F&I sales training program, full retail on parts and labor, eight-component coverage, rental and towing. And more. And EconoCare™ is just one of the specialized plans that make Universal the most experienced auto dealership insurer there is. Some others:



UNICOVER III. THE LAST PROPERTY/ CASUALTY POLICY YOU EVER NEED TO READ.

What makes our Unicover III single-policy package of coverages such a sight for sore eyes? Once you've got it, you won't need to add other policies in the years ahead. It's that complete. That simple. That precisely tailored to your business.

UNIVERSAL CREDIT INSURANCE. THE LAST F&I PROGRAM YOU EVER NEED TO WADE THROUGH.

Universal Credit Insurance is more than just a policy. It's a partnership, built on direct support from the largest, most experienced team of F&I specialists serving the auto dealership industry.



ECONOLIFE II. THE LAST "LIFE" STORY YOU EVER NEED TO HEAR.

The big difference in Econolife II is the Universal Under-

writers Group. We're the first and only company to specialize in creating and servicing life insurance programs to protect the life of your business. In short, Universal Underwriters is the last business insurance company you ever need to talk to. And there's no time like the present. So call Marsha Thompson at 1-800-821-7803 today. Or write to 5115 Oak Street, Kansas City, MO 64112.

UNIVERSAL UNDERWRITERS GROUP
THE SPECIALISTS. SHINING THROUGH SINCE 1922.

Circle #35 on Reader Service Card



Program details and availability vary from state to state.

When something costs this little and does this much...



"You're kidding!
Only \$115.00 for Tilt-Wheel?!" (Click, sold)



"I get six different positions in my truck—at
less than twenty bucks apiece!" (Click, sold)



"I love it when I get this much for
my money!" (Click, sold)



"It sure adds a lot of value to my
little car." (Click, sold)



"\$115.00 to have 'tilt' on my van? That's nothing.
Not if you get 95% back at resale!" (Click, sold)



"I don't think I'll ever buy another car
without it!" (Click, sold)

...one click, and it's sold.

Just look how people react when they discover how inexpensive Tilt-Wheel Steering is. Only \$115.00, manufacturer's suggested retail price. See those happy faces? So, what happens when they find out how much resale value Tilt-Wheel has? More happy, smiling faces.

But, give those people a chance to see how six-position Tilt-Wheel adjusts to help fit the car to the driver, and watch their expressions change. Happy, smiling, convinced, where-do-I-sign faces!

Tilt-Wheel

It does so much... yet costs so little.

Tilt-Wheel Steering from Saginaw.
One click, and it's sold.

*Based on current leading used-car guides.



Circle #30 on Reader Service Card

SOME LIGHTING SYSTEMS JUST LIGHT UP YOUR LOT. ELSCO HELPS SELL YOUR PRODUCT!



Let's face facts. A well lit merchandise area is a must when it comes to selling automobiles. If it looks good it sells! That's why it's important to have ElSCO Lighting Products' Auto King VI on your lot.

ElSCO's innovatively designed projection system effectively illuminates the entire auto display area from perimeter and internal locations. By mounting the Auto King VI at a height of 20 feet, there is no need for additional accent lighting. Energy efficient and cost-effective, Auto King VI

operational characteristics contribute to greater profitability. The unique street side cut-off not only eliminates spillage as well as glare but meets all municipal lighting requirements.

Whether you're building a new location or retrofitting an existing one, you'll see why Auto King VI is setting the standards for quality, performance, efficiency, and design for auto merchandise areas.

To learn more about the amazing Auto King VI call or write ElSCO Lighting Products, Inc.


ELSCO
LIGHTING PRODUCTS INC.
P.O. Box 8946
Stockton, California 95208
209-466-0511

Circle #14 on Reader Service Card

AUTOMOTIVE EXECUTIVE

OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION

FEATURES

12 Project 2000: Anticipating the Franchise System's Future. Change is the driving force behind NADA's new *Project 2000*, and the panel NADA President James Woulfe has named is ready for it.

25 New Executive Moves to Revive Peugeot. Executive Vice President Pascal Henault's goal is to recover dealer confidence first, then work on sales.

32 Service Contracts: Looking Beyond the Bottom Line. Before a dealer signs on with a service contract supplier, he must know the industry, understand its intricacies and study the performance of prospective suppliers and products.

41 Promoting Your Body Shop Attracts Bonus Business. Your body shop equipment can be a valuable tool to sell shop services when you make it part of a well-planned marketing program.

46 Body Shop Buyer's Guide

COLUMNS

5 Commentary
The Dual Highway

54 Service Department
Parts Department Efficiency

DEPARTMENTS

7 NADA 20-Group Ideas

8 Executive Notes

59 Showcase

60 Special Showcase:
Car Wash Equipment



Cover design by ElSCO
Mitchell Graphics

June 1986
Volume 38, Number 6

Automotive Executive (ISSN 0190-1094) is published by the NADA Services Corp., a wholly owned subsidiary of NADA, 8400 Westpark Drive, McLean, VA 22102. A subscription (worth \$12) is included as one of NADA's membership benefits. Subscription rates delivered prepaid in the U.S. and U.S. possessions: \$12 per year, \$15 elsewhere. Single copies delivered prepaid: \$2. Second-class postage paid at McLean, VA, and additional mailing offices. Copyright 1986 by the NADA Services Corp. The statements and opinions expressed herein are those of the authors and do not necessarily represent the view of *Automotive Executive*, the NADA Services Corp. or the National Automobile Dealers Association. Likewise, the appearance of advertisements does not constitute an endorsement.

Postmaster: Send address changes to *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102-3583.



12



25

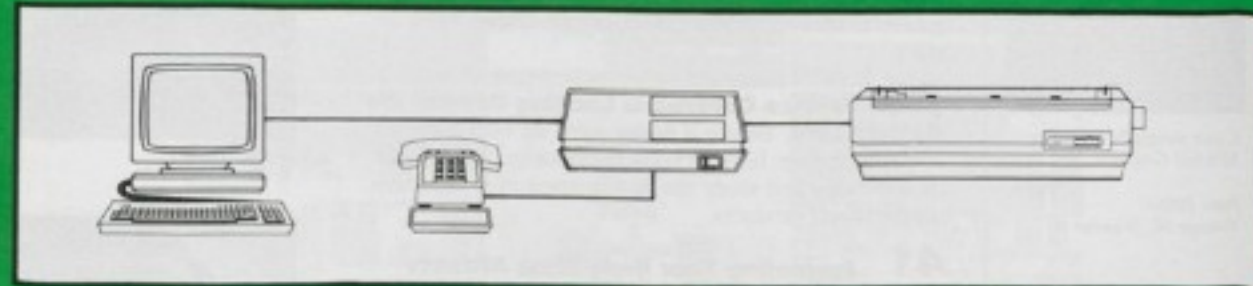


32

ALL SYSTEMS GO

The "I Can't Believe the Price" Oakleaf System

Here's an Oakleaf Finance & Insurance system that's all ready to go. A special package we've designed to make you money while it saves you time. And in an auto dealership, that spells profits.



The Hardware

- Hard-disk DPU IV processor has up to 30 times the capacity of a floppy disk.
- Easy-to-read CRT workstation for deal input.
- High-speed CP-60 printer. Letter quality at 60 characters per second for contracts, etc.
- Versatile LP103 modem handles diagnostics, Teleforms, credit bureau access.

The Software

- Oakleaf's industry leading Finance and Insurance programs
- Teleforms (Instant program changes by phone. Any time, any day.)
- Credit Bureau access (one)
- Sales Aids

The Options

- Leasing package \$1500 plus \$500 installation and training. Monthly support included.
 - Extra Credit Bureau (\$150 each, monthly support included.)
 - High-speed 212 Auto Dial modem (\$850 plus \$25 freight and installation. Monthly support: \$10.)
- Sorry, but at our special package price, no other options are available.

The Price

Only \$7995

FREIGHT AND INSTALLATION INCLUDED

Monthly hardware support: \$115

Monthly software support: \$60

No trade-ins

All you need is a dedicated phone line and our Teleforms to get started. So call us now. Or keep doing things the hard way.



19737 Nordhoff Place Chatsworth, CA 91311-6699 818-993-1223 800-423-3681
Circle #27 on Reader Service Card

AUTOMOTIVE EXECUTIVE

Official Publication of the
National Automobile Dealers
Association



Editorial Office: (703) 821-7150

Director of Publications, Peter S. Lukasiak
Managing Editor, Gary James
Associate Editor, Joan Mooney
Assistant Editor, Gerry Donohue
Contributing Features Writers, Ted Orme and
Mary Anne Shreve
Production Manager, Donald E. Wheeler
Production Coordinator, Mary Quiring
Editorial Assistant, Carol Bowditch
Typists, Donna Samuels and Patti Justice
Design Consultant, Bono Mitchell

Advertising Offices

National Advertising Manager
Patricia Fox, 8400 Westpark Drive,
McLean, VA 22102, (703) 821-7160

Eastern Sales Representatives
Ralph Miller, Bob Nelson, Thomas Buttrick and
Gusie Caputo, 120 Main St., Livingston-Hudson,
NY 10523, (914) 591-5053

Midwest Sales Representative
Ken Geelwood, 16850 Saturn Lane, Suite 100,
Houston, TX 77058, (713) 488-8417

Western Sales Representative
Stuart Kessel, 15720 Ventura Blvd., Suite 610,
Encino, CA 91436, (818) 906-1816

Van/RV Representative
Beverly K. Gardner, 29089 U.S. Highway 20
West, Suite B15, Elkhart, IN 46514,
(219) 293-2517

1986 NADA Officers

President
James B. Wolfe, Dublin, CA
First Vice President
James T. Caplinger, England, AR
Treasurer
Marvin O. Hartwig, Iowa City, IA
Secretary
David A. Banks, Concord, NH
Immediate Past President
William J. Symes, Pasadena, CA
Vice Presidents
Anthony Ursomanno, Wilmington, DE
Ernie Bates, Elizabethtown, KY
Ray Green, Jacksonville, IL
Jerry Hayes, Salt Lake City, UT
ATD Chairman
Bernard Uhl, Palmyra, IN
Executive Vice President
Frank E. McCarthy, McLean, VA
Public Relations and Communications
Committee Chairman
Robert E. Moody Sr., River Falls, WI
Publications Subcommittee Chairman
Frank R. Anderson Jr., Raleigh, NC

COMMENTARY



The Dual Highway

June marks a birthday uniquely American—the 30th anniversary of our interstate highways.

Like many Americans, this system had humble beginnings—just 4.3 miles in rural Missouri. However, at 41,000 miles, today's network stands alone. Even the famed German autobahn extends only 5,000 miles.

Our system, 97 percent complete after 30 years, has been built on a pay-as-you-go basis. It is funded directly by highway users from taxes on tires, fuels and vehicle sales. Of the estimated \$120.5 billion cost to complete, \$110 billion has already been collected and paid out.

Best of all, with a current balance of almost \$10 billion, funds remain to complete the entire system envisioned back in 1956, when President Eisenhower first signed the Federal-Aid Highway Act into law.

True, this system has not been built without controversy.

The legislative debates and legal battles over funding, land acquisition and condemnation proceedings, route selection and environmental opposition remain legend.

Dealers, NADA and the trucking lobby continue to seek legislative relief from the truck excise tax, calling it an unfair burden on just a single user segment of the system.

Even as debate continues, however, we should acknowledge the impact and benefits of this massive highway system on our nation's economy, business practices and markets.

Without exaggeration, it has been revolutionary.

Today, consumers enjoy foods and manufactured items shipped overnight from farms and factories hundreds of miles away. For motorists, driving times and difficulties have been eased. Drivers travel on the safest highways ever built, with accident, injury and death rates far below older, conventional road systems.

Interstates, which represent less than 1 percent of U.S. highways, now carry 20 percent of the U.S. traffic load.

The system has revolutionized business practices, too.

Once restricted to key locations in major cities or business areas, office complexes and manufacturing operations are now routinely established in formerly remote areas, served by interstate highways.

The old concept of "downtown" is giving way to suburban shopping centers and the measurement of travel has now become time rather than miles. With beltways surrounding them, U.S. cities have expanded into "so-called" metropolitan areas, changing business advertising and marketing strategies and molding new employment patterns.

Auto and truck dealers are leading some of the changes themselves. High-cost showrooms in downtown areas are disappearing; new car parks and suburban dealerships are being established across the country. Dealers are moving to the market, as the market moves.

In fact, entire new strategies of auto and truck marketing, with satellite showrooms, regional service centers and even office sales locations are emerging.

Indeed, the concept of suburban shopping centers has created cultural and mass merchandising changes not previously conceived when the system was proposed following World War II.

Perhaps more than any other single modern development, the interstate highway system has given Americans true freedom of mobility. Certainly, it has provided auto and truck dealers with the greatest market in the world—a market that continues to expand, even today.

So, as you drive down the interstate next time, look at it in a different light. More than just a "dual highway," it's your market.

—Pete Lukasiak



**"The GM Protection Plan.
It brings customers back."**

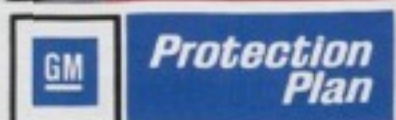
Ken Behlmann, of Behlmann GMC Truck, Florissant, Mo., talks about how the GM Protection Plan improves his customers' satisfaction.

"I don't think there's any question that the GM Protection Plan brings people back to my dealership. When someone needs covered service, there's no haggling. You just say, 'Yes sir, we'll take care of it. Here's your rental car. And that builds customer confidence."

"People feel good about having the GM Protection Plan. And they tell their friends about all the protection they've got."

"I think any dealer that's not selling the GM Protection Plan is missing a great opportunity to gain satisfied customers."

Your dealership could achieve greater customer satisfaction with the GM Protection Plan. Phone your zone representative today for a participation agreement. You'll discover why, when it comes to new vehicle service contracts, the GM Protection Plan is America's #1 seller.



Circle #18 on Reader Service Card

NADA 20-GROUP IDEAS

20 Test Drive Partnerships

Not fixed right the first time" is the biggest customer complaint at Don Beyer Volvo in Falls Church, VA. Don Beyer Jr. realized that his dealership's after-service quality control road tests were insufficient, so he devised a program of exit test drives that included customers as well as service personnel.

Every afternoon from 4 to 7 p.m., during the peak hours of customer pick-up, qualified service personnel from middle or higher management greet returning service customers with an assertive "I'd like to go with you on a five-minute test drive to make sure we have completely fixed all your problems." The dealership representative drives out, the customer drives back. Problems may be detected and the customer does not feel abandoned.

Testing the car together—and later fixing any problems—may improve the customer-dealer relationship. If the car breaks down a few days later, the customer may say, "OK, it broke again, but the dealership tested it with me to see if it worked properly."

Customer response to the program has been extremely positive, and technicians, knowing of the exacting test drive by management, now perform higher quality work, Beyer says.

Fringe Benefits Plan

A novel fringe benefit-salary reduction plan has been presented by Knudtsen Chevrolet Co., Coeur D'Alene, ID. C. Wayne Knudtsen's employees used to pay a portion of certain employee fringe benefits, such as medical insurance, until Knudtsen decided to reduce the employee's salary by the total amount of the employee's contributions for such benefits. The dealership then pays 100 percent of such fringe benefits.

Why would dealers wish to assume this added burden? In the long run, they will save money since their expenses for taxes like FICA and FUTA, which are based on salaries, may be reduced. By reducing the employee's salary by

the amount of certain fringe benefit contributions, which generally are not taxable to the employee, you also may help to reduce the employee's taxes, which are based on wages. An employee's take-home pay could increase as a result. If dealer costs are reduced and employees' pay is increased, all will benefit from this plan.

Inspection Reminders Generate Business

Allen Gauthier of Woodward's Chrysler-Plymouth Truck, Laconia, NH, supplies a discounted service to his customers that not only builds goodwill but also generates service department business. At the time of sale, new

and used vehicle purchaser names and purchase dates are entered into the dealership's small personal computer, which is programmed to keep track of customer state inspection due dates. Reminders are mailed to customers along with coupons offering to perform inspections for \$1.

Woodward's has had an overwhelming response to the reminders, and the majority of respondents are later sold additional service work at retail prices. Since most work sold is of the lube-oil-filter type, easily performed by low-wage technicians, profitable results are achieved.

For further information about NADA's 20-Group program, contact John Hopkins, NADA 20 Groups, 8400 Westpark Drive, McLean, VA 22102, (703) 821-7031.

THE GREATEST C.S.I. PROGRAM

GUARANTEED!!!

CALL ME, KEN PLETZ,
TOLL-FREE
1-800-824-7888
EXTENSION M2534
OR MAIL YOUR
BUSINESS CARD TO:

**PLETZ
SALES PROGRAMS**

1669 S. VOSS, SUITE 900
HOUSTON, TEXAS 77057.

Circle #28 on Reader Service Card

LEASING

There's a fortune in it.

Especially for the fortunate few who will establish their dealerships as leasing leaders now.

With Admark's copyrighted marketing and advertising system, one dealer in each television ADI can secure the lion's share of today's emerging individual lease market, and hold that lead indefinitely.

Are you the dealer we're looking for in your trade area? Call or write for more details immediately.

ADMARK INCORPORATED
1008 E. THOMPSON LANE
NASHVILLE, TENNESSEE 37211
800/251-1416 • 615/833-7104

Circle #1 on Reader Service Card



TV Advertising Increases

Automobile advertising on television increased 15 percent in 1985 over the previous year, the Television Bureau of Advertising reports.

Leading the growth were a 35-percent increase by dealer associations and a 21-percent rise in auto dealer spending, according to Broadcast Advertisers Reports data analyzed by TVB. Manufacturers' television expenditures increased 8 percent.

Total estimated expenditures for automobiles in 1985 were \$1.69 billion, compared with \$1.47 billion in 1984. Spot television (geared to a specific geographic market) was up 22 percent to \$955.3 million, accounting for 56 percent of automotive TV spending, while network television's total was \$737.3 million in 1985, 44 percent of the category.

Manufacturers' TV spending in 1985, the largest part of automobile advertising, was an estimated \$1.04 billion. Dealer association TV advertising totaled \$337.3 million, and TV advertising by dealers, \$311.2 million.

Executive Committee OKs Insurance Review

The NADA Executive Committee has authorized staff to work with the Wyatt Co., an insurance consultant, to set up a nationally sponsored property, casualty and liability insurance program for dealer members.

First, specifications for a model policy for dealers will be drawn up and sent to about 20 insurance carriers. The companies that are interested will then write proposals, which will be reviewed by the staff with the Wyatt Co.

The final contract will be subject to review by the NADA board. Staff members aim to have it completed by the fourth quarter of this year.

More Four-Cylinder Cars Are Included in Fleets

Fleet managers are gradually adding more four-cylinder cars to their fleets and will continue to do so, according to a recent survey by Runzheimer International.

In 1982 and 1983, four-cylinder engine cars made up 32 percent of the average fleet. In 1984, they captured 36 percent, and last year the proportion rose to 38 percent. At least one four-cylinder car can be found in 78 percent of 1985 fleets, compared with 74 percent in 1984.

A hefty 38 percent of responding fleet managers said they expect to increase the number of four-cylinder cars in their fleet this year.

"Fleet managers' prime motivation remains finishing with a low score card—and fewer cylinders means lower costs," said the Runzheimer editors.

Volvo Offers On Call, Emergency Number

Volvo Cars of North America has introduced On Call, a 24-hour-a-day, 365-day-a-year emergency phone number, offered as an owner protection plan that is standard equipment on all 1986 Volvos it distributes in the United States.

On Call provides a single call, toll-free number for driver assistance. It combines an extensive road assistance network with a trip interruption protection package and other

benefits. The plan applies to all 1986 Volvos, even those purchased before it went into effect May 1, for three years from the date of delivery. It also includes key recovery chains, theft rewards and luggage tags.

"Saved-By-The-Belt" Program is Launched

A new nationwide awards program to recognize the lifesaving value of safety belts has been announced by the Automotive Safety Foundation and the Highway Users Federation.

The program, called "Saved-By-The-Belt," offers a free lapel pin and certificate to any person who submits a written statement describing how a seat belt saved his or her life, or helped reduce injury in a car crash.

The Highway Users Federation will use the written testimony of individuals who qualify for the award to support the national campaign for more safety belt use and to develop a record of the day-to-day lifesaving value of seat belts.

Federation safety specialists estimate that safety belts save more than 3,000 lives a year at current usage rates, which are expected to rise as more

states pass belt-use laws. Twenty-four states and the District of Columbia have passed such laws, and belt-use legislation is pending in others.

People who wish to qualify for the award should submit a brief written statement describing the circumstances of the traffic crash, including date, location and names and addresses of those involved, to Saved-By-the-Belt, c/o Automotive Safety Foundation, 1776 Massachusetts Ave., N.W., Washington, DC 20036.

Construction Starts on BMW Office

BMW of North America Inc. has started construction of a 200,000-square-foot North American headquarters building in Woodcliff Lake, NJ.

The structure will be made of three approximately equal-sized, rectangular modules to be set in a staggered row on the 21-acre site.

"In designing this building, we've followed the same philosophy that BMW follows in designing their cars, emphasizing functional simplicity and elegance," says Harrison Uhl, partner of the architecture, engineering and planning consultant in charge of the project.



Architect's model of new BMW headquarters in Woodcliff Lake, NJ.

Scrapage Is Up

Last year, as new-car registrations in the United States climbed to their highest level in six years, the number of cars scrapped hit their highest volume since 1981, reaching a total of 7.7 million, according to a report by automotive industry statistician R.L. Polk.

A Polk statistician noted that the median age of passenger cars had risen slightly to 6.9 years. The report also stated that the 2.4-percent growth of the nation's passenger car population was the second highest since 1977-78, with only the 1983-84 period exceeding it.

AAA Issues Checklist

Dealers and sales managers may want to take note of a new Car Buying Checklist from the American Automobile Association that lists several categories of design features and equipment options motorists should consider when shopping for a car.

The categories are crash avoidance, crash worthiness, comfort/convenience, security and utility. Equipment and design features in the checklist include halogen headlights, steering-mounted horn, right outside mirrors, and amber four-way flashers in the crash avoidance category. Crash-worthiness safety equipment to look for are rear seat shoulder belts, childproof rear door locks and rear seat head restraints.

Comfort and convenience items include shoulder belt position, folding rear seat, power door locks, front vent windows and roll-down rear windows. Security equipment

includes a cargo cover in a hatchback model, locking remote trunk release and separate keys for ignition and door locks.

Utility features are a warning buzzer if headlights are left on, a full size spare tire and a statement of the vehicle's weight capacity on the tire inflation label.

The AAA estimates that 75 percent of new-car buyers never test-drive a car before signing up to buy one.

Tricom, IBM Agree

Tricom Automotive Dealer Systems Inc. has signed a long-term, exclusive vendor agreement with International Business Machines Corp. to market Tricom's Automobile Dealership Management System in the United States and Puerto Rico. Tricom also will provide training, service, installation and software license and support to the IBM users.

IBM also agreed to a non-exclusive contract that allows Tricom to market the system outside of the United States and Puerto Rico.

NADA Used Car Guide Offered On Computer

Not everyone knows that the NADA Official Used Car Guide is available on computer and is used in that form by state and local governments, insurance companies, and the fleet and rental car industry.

Called the NADA Valu Guide, the software system was originally developed to help state and local taxing authorities to assess automobiles and light duty trucks. It works both on on-line systems, on a company's own IBM main-

frame computer, and batch systems.

The vehicles valued are identified by using the Vehicle Identification Number, the Vehicle Make Code and the last two digits of the vehicle model year. The software system then gives the average trade-in (wholesale) value, the average retail value, the average loan value, the vehicle weight and the manufacturer's suggested retail price, just like the guidebook.

The Valu Guide offers 18 years of used vehicle values in nine regional editions. The system, produced by NADA for three years, is expected to be used soon by banks and other auto-related industries.

NADA staff are developing a new system that can be used by dealers. Dealers can now get a list of current book values from the Valu Guide by providing a computer tape with the required information.

NADART Fund Returns 5 Percent for Quarter

The NADA Retirement Trust reports that the NADART Fund had a return of 5 percent for the first quarter of 1986. For calendar year 1985, the Fund returned 14 percent. The 1986 calendar year return is expected to compare favorably.

The NADART Fund, with assets of \$708 million, is the primary investment vehicle for NADART profit-sharing, pension and 401 (k) retirement plans. More than 81,000 dealership employees participate.

The Guaranteed Fund, exclusively for voluntary deposits of NADART plan participants, has a fixed return determined annually by the Board of Trustees. The return for 1986 is 11.5 percent. The Fund can be used for after-tax, savings-type deposits, or for pre-tax IRA-like deposits.



Bob Moody (right), chairman of the public relations and communications committee, presents a \$25,000 check from NADA to Jerry Sachs (left), head of the TEAM (Techniques of Effective Alcohol Management) project to combat drunken driving. James Caplinger, NADA first vice president, looks on. TEAM is directed chiefly at patrons of major sporting arenas, such as the Capital Centre in Washington, DC, of which Sachs is president.

**Project
2000**

Anticipating the Franchise System's F·U·T·U·R·E

Change is the driving force behind *Project 2000*, and the panel NADA President Jim Woulfe has named is ready for it. As one panel member said, it's clear that some major changes will be made in the next several years, and dealers should have a voice in shaping the future.

One immediate cause for concern expressed by some panel members interviewed by *Automotive Executive* is the trend toward larger and larger dealerships. That is not something to worry about in itself, except to the extent that it happens at the expense of small stores. Ideally, the move toward consolidation will simply mean that a dealer has to do a better job of satisfying customers to survive—but the ideal rarely occurs in the business world.

Members of the panel agree that the goal of *Project 2000* is definitely not to preserve the status quo. Change is needed, they say. The panel member representing the truck industry says bluntly, "The present system isn't working."

The franchise system is the basis for many of the questions to be asked. Woulfe set forth the four points he sees as the goals of *Project 2000* in a recent

speech before several local associations: "to analyze the franchise system to see what is working, to study options for strengthening what is good about this system and for correcting what may not be so good, to decide priorities for a deliberate program of activity, and to act in a decisive manner and get the job done."

In the same speech Woulfe set forth what he sees as the main questions dealers should ask to make *Project 2000* work.

- What do you see as major threats to the franchise system?
- What do you see as the system's principal assets and strengths?
- What do you see as opportunities we should capitalize on?
- What new programs or changes in NADA's current programs are needed for long-term improvement of the franchise system?
- What actions should we take this year?

The task force consists of 14 members—11 dealers, one representative of the Automotive Trade Association Executives and two top NADA staff members. Woulfe says dealer members were selected from a large number of

nominees based on experience, dealership size, geographic location and types of makes sold.

"These individuals are active in their dealerships, communities and industry," Woulfe says. "They represent the finest ideals of commitment and forward-thinking in auto and truck retailing. They will be the catalyst for this long-term NADA undertaking."

The *Project 2000* task force held its first meeting in late May. Agenda items under consideration included franchise agreements, customer satisfaction, employee training and retention, dealer/manufacture communication, advertising and sales practices, government regulation, real estate trends, distribution practices and computers.

Everyone on the panel has different ideas about how to address the future. But they have one trait in common: a sense of excitement. Each dealer is looking forward to the challenge of trying to predict, and shape, the future.

There's no question it's a challenge. As one panel member says, few could have foreseen today's situation 15 years ago. But it's clearly a good idea to work for a greater awareness of what lies ahead.



**PROJECT
2000**

DISTRIBUTION • LAND USE • CUSTOMER SATISFACTION • TRAINING • ADVERTISING • SALES PRACTICES • FIELD RELATIONS • FRANCHISE AGREEMENTS • SERVICE • DEALER ATTITUDES • GOVERNMENT REGULATIONS • COMPUTERS • TECHNOLOGY • MANAGEMENT • DISTRIBUTION • LAND USE • CUSTOMER SATISFACTION •



James Woulfe

"The only way to assure and enhance the future of the franchised system is to work together with the manufacturers in a true partnership to serve customers' needs," says NADA President James Woulfe. "We can learn from each other and make each other better."

Project 2000 will be NADA's mechanism to reinforce dealers' role in the future, Woulfe says. "It will remind our domestic and import friends who their true partners are in this dynamic business of making and selling cars and trucks. We will look at every industry and government action with one question in mind: Does this help or hinder the franchised system's ability to satisfy customers?"

Woulfe says dealers have to do a better job of countering auto industry commentators who say the dealer of the future is going to be a computer and a telephone. "They're not only shooting from the hip, they're saying the current franchise system isn't working. And that's dead wrong."

"Manufacturers have investigated alternatives to the franchise system and rejected them—some because they failed, some because they won't work, and some because the current system works better than those so-called 'clean sheet' approaches. *Project 2000* will contribute to an evolving, stronger franchise system, countering those who would assume that system away."

President of Shamrock Ford-Chrysler-Plymouth in Dublin, CA, Woulfe is a longtime industry advocate. He has represented Northern California on the NADA Board of Directors since 1970, serving as secretary and regional



vice president. Committee work includes time on the Guide Book, convention, membership, management and industry relations committees.

Woulfe started in the industry in 1946 as a clerk with Ford Motor Co. He served as zone manager for seven years, then switched to the retail side in 1953. In 1955, he bought part interest in a dealership, and in 1959 took it over.

Active in the Northern California Motor Car Dealers Association, Woulfe has served as president, vice president, secretary and treasurer. He has also served two terms as president of the Ford Dealers Advertising Association for the San Jose district.

John Williamson

John Williamson is undoubtedly the panel member who sold the most cars last year. He is chairman of the board of Key-Royal Automotive Co. in Birmingham, AL, which operates 23 dealerships in nine states, employs 1,800 people and sold 37,000 vehicles in 1985. With such a large stake in the automotive business, it's no wonder he's interested in the industry's future.

"Our business is going through such a change now," Williamson says. "It's going to be more competitive in the next 10 years than ever before. Every company in America can make more cars than Americans can buy, so there's going to be an overcapacity."

"It's going to be similar to Europe. The top six manufacturers there, as a group, haven't made money in the last 10 years."

Williamson got his start in the auto industry working part time at a General Motors parts department warehouse



while in college in Birmingham. After graduation he became a car salesman at a GM dealership there. He had a brief stint as a district manager with Chevrolet in the 1940s, then re-entered the retail side of the business as a sales manager.

In 1956, Williamson began a management consulting business now known as Williamson, Merrill, Taylor and Darling. In addition to consulting, the firm also specializes in organizational development and marketing services for companies worldwide. Williamson is active in both the consulting firm and Key-Royal.

He also serves as vice chairman of the board of directors of CARS Inc.—Computerized Automotive Reporting Service—which provides dealers with a retail-oriented system of automated inventory control, accounting, management reporting and leasing accounting. Williamson helped form CARS in 1964.

As to whether he considers chain dealerships like his to be the wave of the future, Williamson says he expects more people will own more dealerships, but there still will be room for small dealerships—"if they're good."

He believes it is the role of *Project 2000* to help dealers prepare for the increased competition of the future.

John Falb

John Falb says he has a vested interest in the future of the franchise system because as a small dealer—he sells about 500 new and used cars a year—his very survival is threatened.

Asked how many cars his dealership, John Falb Co. in West Union, IA, sells annually, before telling you, he says,

HOW CAN WE TOP
NEW ORLEANS?
JOIN

NADA
IN
LAS VEGAS

AND FIND OUT!
WATCH FOR OUR JUNE MAILING
AS THE OPPORTUNITY CONTINUES...
NADA'S 70th CONVENTION & EXPOSITION
JANUARY 31-FEBRUARY 3, 1987

Circle #25 on Reader Service Card



"Don't laugh." Perhaps that is the response he has come to expect, but as he points out, "In the past, the little guys who sold 200 to 300 cars a year were the backbone of the franchise system." Now, the cost for the manufacturers of doing business with the small dealer is just too high.

Selling cars is in Falb's blood, and it obviously pains him to say these things. He is the third generation of John Falbs to be a GM dealer in northeast Iowa continuously since 1919.

"My son, the fourth generation, is now a banker in Chicago because of my fears," he says.

Falb has used the advantages of being a prominent figure in a small, rural community where everyone knows everyone else. He has scored 98 percent in both the Pontiac and Oldsmobile customer satisfaction index since 1981.

He says his customers' "continued goodwill and repeat business is our most important asset. It is this owner loyalty that has helped us through recent difficult years."

Falb started in the auto business at age 12 cleaning used cars, and sold his first car at 15. He had a brief stint distributing cars for Cadillac before becoming part owner of Falb Motor Co. in Postville, IA. He became president of John Falb Co. in 1966.

Falb, a *Time* Magazine Quality Dealer Award winner, started the Fayette County Dealers Association and is the immediate past president of the Iowa Automobile Dealers Association. He has also been very active in community organizations in West Union, serving as vice president of the Chamber of Commerce, president of the Industrial Development Corp. and vice president of the school board, among others.

Frank Morsani

As one of the more prominent auto dealers on the national scene recently—he finished a year's term as chairman of the board of the U.S. Chamber of Commerce in May—Frank Morsani brings a broad base of experience to the *Project 2000* panel.

He is also a very successful auto dealer. Precision Enterprises Inc., in Tampa, FL, of which he is president, operates seven dealerships, which together sell 8,000 to 10,000 new and as many used vehicles annually, generating sales of \$140 million.

Morsani has worked on both the manufacturer and the retail end of the auto industry. After graduating from Oklahoma State University, he joined Ford Motor Co., working in its Lincoln-Mercury district sales office in Jacksonville, FL. He became zone manager, then switched to the retail side, working in dealerships in Florida, California and New Jersey. He managed departments at first, then dealerships, and learned about both the service and financial aspects of the business.

In 1971, Morsani bought a Toyota and a Mercedes-Benz dealership in Tampa, and nurtured them along to the successful point where they are today. He is also chairman of First Tampa Capital Corp., a small business investment company he started under a federal program.

Morsani is deeply involved in local and national affairs. Besides his Chamber of Commerce work, he was a delegate to the White House Conference on Small Business and a member of the U.S. Small Business Administration Advisory Council. Closer to home,

"We will look at every industry and government action with one question in mind: Does this help or hinder the franchised system's ability to satisfy customers?"

he is a member of the Hillsborough County Aviation Authority and president of the Tampa Bay Baseball Group, which seeks a major league baseball team for the area.

Morsani has been honored with the American Import Automobile Dealers Association Outstanding Import Car Dealer in the U.S. Award, *Sports Illustrated's* Import Automobile Dealer of Distinction prize and *Time* Magazine's Quality Dealer Award.

He is pleased with the prospect of being part of a long-range planning committee such as the *Project 2000* panel.

"To keep any business on the leading edge of change, a group of this type can be very helpful," he says. "(I joined the panel because) I have respect for what NADA has accomplished and the services it provides."

He believes the panel should address two levels of questions: those about NADA and those about manufacturers. In the first, he includes changes in the organization and structure that would make the association more effective. By the second, he means what's going to happen to the automotive retail industry, and how the changes will affect the manufacturer.

"I can bring a different perspective (to the panel) because of my involvement on a broad base over the last several years, both nationally and internationally," he says.

John Pohanka

John Pohanka, one of the leading dealers in the Washington, DC, area, has spent his entire career thinking about the future of automobile retailing. A popular workshop speaker, Pohanka addressed



the subject in depth at the 1984 NADA Convention in a presentation called "Successful Dealership Management in the 1980s and 1990s."

"You can't afford to rest on past achievements in a business that changes like this one," says Pohanka, president of Pohanka Oldsmobile-GMC Inc., Pohanka Imports Inc., Pohanka Auto Leasing Inc. and Pohanka Properties Inc., Marlow Heights, MD. "I prefer to

keep my eyes on what's down the road so we can meet changing demand."

No stranger to industry affairs, Pohanka has been involved in a number of forward-thinking projects. In 1971, he helped start the National Institute for Automotive Service Excellence (ASE), a non-profit organization that tests and certifies auto mechanics. Over the last 15 years, ASE has certified more than 170,000 technicians in the United States. Former director and chairman of ASE, Pohanka currently serves as chairman of the board of trustees of the National Automobile Technicians Educational Foundation, an ASE offshoot that certifies automotive vocational schools nationwide.

Pohanka also is a longtime NADA supporter. He served on the association's board of directors from 1971 to 1978, and was president in 1976.

Pohanka is a second-generation auto dealer, continuing the business founded in downtown Washington in 1919 by his father, Frank. John Pohanka joined the dealership in 1949, after graduating from Princeton with a bachelor's degree

in economics. He assumed the presidency in 1959 upon the death of his father, and moved Pohanka Oldsmobile to Marlow Heights in 1967. In 1979, Pohanka was selected as the *Time* Magazine Quality Dealer of the Year.

Despite his outside involvements, Pohanka says he is a "very active dealer. I work six days a week, and am very close to my business. I know what's happening in the trenches."

Pohanka says Woulfe's *Project 2000* is an "excellent idea, because it will bring manufacturers and dealers closer together in looking for solutions to common problems. We need more dialogue. Sometimes we forget our basic interest is the same: customer satisfaction."

"That's the real underpinning of *Project 2000*. First and foremost we have to consider the customer."

"Everything we and the manufacturers do—the way we sell cars, service them, locate our facilities and merchandise—has to have customers satisfaction as its goal. Otherwise, our business will face more serious problems than anyone imagines."

ATTENTION: DEALER PRESIDENT
Add
BIG PROFITS
to your dealership
and customer excitement to your showroom.

The JOHNSON PHANTOM is designed and priced to sell. **BIG PROFITS**, complete 12/12 warranty, all G.M. mechanicals including 5 liter fuel injected engine.

No parts to inventory, no franchise fees, no signs to buy.

FOR COMPLETE DETAILS
write, phone or visit

JOHNSON MOTORCAR CORP.

1703 Griffin Road, Dania, Florida 33004

(305) 923-9905

I-95 at Griffin Rd. 1 mi. S. of Ft. Laud. Airport

Circle #22 on Reader Service Card

GOLF TOURNAMENT DIRECTORS

Car and Truck Dealers across America have discovered a proven, low-cost way to get valuable publicity at a fraction of the cost with deals like this...

**GRAND PRIZE:
A NEW CAR
DEALER COST: \$225**

How? With Hole-in-One Prize Insurance. For as little as \$225, the National Hole-in-One Association will insure a new car or truck offered as the prize for a hole-in-one shot during a golf tournament. If a player shoots an ace, he takes the car. We pay the dealer and the BIG PRIZE publicity makes the tournament a success for everyone.

Call today, for a no-obligation QUICK QUOTE and a copy of our FREE NEWSLETTER, GOLF TOURNAMENT DIRECTOR, full of helpful "how-to's" and examples of successful tournaments.

**24 HOURS
CALL FREE (800) 527-6944
In Texas (800) 442-6061
Local (214) 691-6911**

728 Campbell Centre
Dallas, Texas 75206

NATIONAL HOLE-IN-ONE ASSOCIATION

Circle #26 on Reader Service Card



Gary Rippentrop

Gary Rippentrop, although he has been in the automotive business for 23 years, brings a somewhat different perspective from the other panel members: He has never been a dealer. But having held the top position in the South Dakota

and Minnesota automobile dealers associations, he knows the viewpoint of state associations and has extensive experience working with state governments. Rippentrop, currently executive vice president of the Minnesota Automobile Dealers Association (MADA), is the Automotive Trade Association Executive representative on the panel.

Rippentrop got his first job with the auto industry right out of college, becoming assistant manager of the South Dakota Automobile Dealers Association in 1963. Four years later, he became the association's executive vice president and served in that capacity until 1970, when he took that position with the Minnesota association.

Like many dealers, Rippentrop manages to find time to become involved in activities outside his primary job as ATA Executive. He is the ATA observer to NADA's Government Relations Committee, a director for the Minnesota Society of Association Executives, chairman of the Minnesota Highway Users and president of his church

men's club.

Rippentrop expressed his enthusiasm about *Project 2000* in a telephone interview. "It's an excellent opportunity for NADA—and for me personally, for MADA—to look at what will be happening in the future," he says. "We will be studying what dealers can do to improve service, to improve their relationship with manufacturers and with customers."

"I hope I can provide input about what dealers need on the state level. I'll be able to talk about things from the government end of it, from the factory end of it. I've been highly involved in political campaigns here, and helped negotiate the franchise law in Minnesota several years ago."

Robert Mallon

Robert Mallon is no stranger to industry and community boards, and you might say that planning is one of his specialties. He is the founder of NADA's Automobile and Charitable Foundations, and has taken leadership positions in numerous community organizations in the Tacoma, WA area.

Mallon is president of Mallon Ford Inc. in Tacoma and the NADA director for Washington and Alaska. He started out sweeping floors in a dealership as a summer job, and has spent the years since then becoming ever more deeply involved in the auto business. He is past president of the Tacoma New Car Dealers and the Washington State Auto Dealers Association, and has been an NADA director since 1972.

Mallon is a former president of NADA, and has served on the association's industry relations, government relations, educational affairs and leasing committees. He was a 1970 TMQDA winner.

Mallon's involvement in community activities is at least as broad as his industry interests. He is the past district governor of Rotary International, past chairman of the board of St. Joseph Hospital, acting chairman of the board of trustees of St. Martin's College, past president of the Tacoma Better Business Bureau and campaign chairman for United Way of Pierce County.

With so much committee time on his record, it is no surprise to see him on the panel that will grapple with major



Put this computer system to work and your dealership will handle like a dream.

With software customized for your specific needs by a Value-Added Reseller, and Texas Instruments hardware designed to handle your growth, you'll wonder how you ever got along without it.

What the auto dealership needs today is one solution for Sales, Service, Parts, and the Business Office. One system that computerizes each department while giving you what you need most. Control.

And that's exactly what this dealership system is all about. It's a total system solution from a computer company that's been in the automotive business for over a decade. And it puts you in the driver's seat.

TI Value-Added Resellers will help steer you in the right direction.

Your system's software can be designed for each department's needs and the dealership as a whole, and comes from an automotive market expert who knows about TI's full range of technologically advanced products. No matter what size your operation, small, medium or multifranchise, TI can provide you with the right hardware. TI has a system that can handle your needs today, and expand for tomorrow as your needs grow. Our service and support people are easy to work with too. Our network stretches from coast to coast and features four-hour response time in many locations,

among other options.

But the real story is its superb handling. Get behind the wheel of a Texas Instruments system, and you'll find your dealership will drive a lot smoother. In fact, it'll handle like a dream.

Call 1-800-527-3500 for the TI-authorized reseller specializing in automotive dealership systems nearest you.



**TEXAS
INSTRUMENTS**

Creating useful products
and services for you.

A CLASSIC OPPORTUNITY



IN NEW TRUCK SALES

The classically styled Woody represents a unique sales opportunity for the new truck dealer. This special accessories package offers: richly hand-crafted realwood trim, our series 32 Skylite Electric Sunroof, and a Delco enhanced sound system. This package is offered as a Ship-Thru Program for all GMC and Chevrolet dealers on S-Series Jimmys and Blazers. For ordering information, contact Cars & Concepts' dealer direct sales department: 1-800-521-9753 or (313) 227-1400.



**CARS &
CONCEPTS**

12001 GRAND RIVER AVENUE BIRMINGHAM, AL 35240

Circle #9 on Reader Service Card



questions about his industry's future. "I've always been interested in community as well as industry concepts relative to planning," Mallon says. "The manufacturers have developed so many resources for planning—I wanted to be of assistance to the industry."

He believes that *Project 2000* "will help us focus what our relationship with the franchisor and the governmental sector will be." Mallon sees some of the major questions facing the panel as the demographics of the marketplace of the future, and how American manufacturers will fit into the global picture.

James Lust

James Lust has good reason to be concerned about the future of the franchise system. The NADA director from South Dakota has seen the number of franchised dealers in his state drop from over 700 in 1950 to 160 today.

"I see dealers falling everywhere," he says. "It's economically inevitable that the motor industry will have further consolidation. We can't repeal the law of supply and demand."

"But as long as people trade cars and want individualized service, there will be a franchise system," he said. "To paraphrase Churchill, it isn't a perfect system, but it's the best we've devised."

"If the manufacturers went into retailing, they would never accept our traditionally low return on sales."

With all that Lust is involved in, it's amazing he has time to sit down and think about the long term. He has been a franchised dealer since 1961, and is now president of Lust Chevrolet-Buick-Mazda in Aberdeen. He served three terms as director of the South Dakota



Automobile Dealers Association, and has been a Chevrolet Fargo Zone Dealer Council representative.

Lust is president of the Aberdeen Chamber of Commerce, a director on the Small Business Administration regional council and a director of the Dakota Midland Hospital Foundation. He currently serves as chairman of NADA's Dealership Operations Committee. In his spare time, he relaxes by playing classical piano and spending time with his wife and eight children.

Speaking about the role of the panel, Lust voices his concern that "a lot of dealers, because they're so threatened, will fall into the danger of fighting the rear guard defensive. I don't think that's our role at all."

"I find it interesting that the Japanese manufacturers have no thought of changing the franchise system. That suggests that the problem isn't with the distribution system, it's with the franchisees."

Lust says the panel's task of looking into the future will be a difficult one, pointing out that he never could have predicted his present position, in which he has become a multi-line dealership, 14 years ago.

Frank Carder

President of Carder Buick-Olds (Mazda) Inc., Searcy, AR, Frank Carder recently celebrated his family's 50th anniversary as a General Motors dealer. Carder succeeded his father as dealer in 1954, and his son, George, is currently general manager of dealership operations.

"For our legacy to continue, we have to become increasingly competitive,"



Carder says. "Rapid changes in the business threaten to bury the small guys."

Like many rural dealers, Carder sees a long list of challenges facing the industry. Chief among them are capitalization and return on investment, he says. "It's getting hard for small dealers to cover the high costs of land, facilities, service equipment, training and marketing. These costs hit rural dealers, especially, because we have limited markets. The industry needs to address this problem, and explore new ways of marketing and capitalization."

Carder says today's fast pace means dealers also have to do a better job of anticipating customer needs. "No dealer—large or small—can operate by the seat of the pants any more. We have to accept the challenge of a customer-driven market, and use our vision to provide a higher level of satisfaction. If we don't, the manufacturers will look for new avenues for distribution."

Carder brings a wide range of expertise to *Project 2000*. In addition to his dealership, he serves as chairman of the board of American Western Life Insurance Co., a statewide, dealer-owned credit life firm; president of Carder Investments Inc., a family-owned real estate investment company; president of PEC Corp., a management company; treasurer of Arkansas Olds, a 23-member dealer advertising group; and director of Searcy Aviation, an aircraft dealer and air charter service.

His industry involvement includes years of work with the Arkansas Automobile Dealers Association. Carder has served the association as director, treasurer, vice president and president, and currently sits on its long-term planning, bylaws, convention, insurance trust and legislative committees. On the



sas Interest Rates (FAIR) committee and on the Executive Committee for Amendment 60, a drive that amended the Arkansas Constitution to improve interest rate controls.

Arnold Lessing

Former American Truck Dealers Division Chairman Arnold Lessing is blunt in his assessment of the current state of the truck franchise system: "The system isn't working," he says. So change is inevitable, and dealers ought to have a voice in the process.

Lessing's involvement with the truck business goes back a long way. He started with the Missouri Truck Line in 1951 and moved to Trailmobile in 1960. He acquired Denver Peterbilt in Denver, CO in 1963, and received the Western region sales award in 1982.

Lessing served as ATD's Peterbilt line representative from 1980 to 1983, and has been Governmental Relations Committee chairman and ATD vice

chairman. He has served on the NADA Management Education Committee and the Dealership Operations Committee. He has been active in the Colorado Trucking Industry Political Action Committee since it was formed in 1978.

"In the truck end of the business, conditions in the customer base have changed greatly because of deregulation," Lessing said. "It's meant the consolidation of purchasing into fewer and fewer hands. Manufacturers have changed, and financing has changed—there will have to be changes in the distribution."

"The dealership's going to have to change, too. Since the dealer's at one location, he has the largest stake. It's not just a battle for the status quo."

Because of the inroads leasing companies have made on truck dealers' markets and because truck prices are not set by the manufacturer the same for all dealers, as car prices are, Lessing says truck dealers are in a far more precarious state than auto dealers.

"Truck dealerships are going to have to be attended to first," he says.

THE DEMAND FOR EXCELLENCE IS NEVER ENDING!

At Infinity, we know there is a never ending demand for excellence! Because of this, we choose the most unique color schemes for our van conversions. Using only the finest automotive lacquers and paints, Infinity gives you quality you can see, excellence you can appreciate!

Experience the quiet luxury of our interiors. They're beautifully decorated in color coordinated fabrics, custom window treatments and carpeting with the added quality of rich, solid oak cabinets, side walls and door panels! Sophistication that is unmistakably infinity!



At Infinity...excellence goes on...forever!

Conversions
by



Infinity Conversions, Inc. • 2123 Middlebury St.
Elkhart, IN 46516 • (219) 293-1079

Circle #20 on Reader Service Card



Earle Ike

Earle Ike, president of Earle Ike Import Sales Inc., Costa Mesa, CA, is looking to *Project 2000* to point out answers to difficult dealership problems that have emerged in recent years—or are due to emerge. In his locale, just south of Los Angeles, he says rising land costs are putting new pressures on dealers.

"Those who rent can't afford to stay in metro locations," Ike says. "And those who own their own land are tempted to turn their location over for other use because of skyrocketing values. In many metro areas, land simply has become too valuable to warrant auto dealership use alone."

"We must look at these trends—and how enterprising dealers in various areas are meeting the challenge, with auto malls, multi-use facilities, satellites and so on."

Ike says the retail auto industry is moving out of the "horse and buggy" stage into a high-tech business, and that *Project 2000* will lead the way. "Every aspect of our business is becoming much more professional. Computers revolutionized the way we market and service our products. The business demands new management skills and new expertise. *Project 2000* will anticipate these changes."

A dealer for 25 years, Ike sells Toyota and Volvo at his dealership. He was a *Time* Magazine Quality Dealer Award winner in 1970, and a Northwood Institute Dealer of Distinction in 1984. A member of the board of regents of Loyola-Marymount University in Los Angeles, Ike has always placed great importance on education.

"For a long time, I've worked with



Dick Strauss

local high schools and junior colleges to develop new talent for our business. It's an ongoing struggle to attract bright, motivated employees. But the industry needs them more than ever."

In addition to his educational involvements, Ike is active in the Motor Car Dealers Association of Southern California. Currently, he serves as chairman of the association's insurance trust. Ike also has served as chairman of the Inglewood Chamber of Commerce.

Dick Strauss sees consolidation in the future of the franchise system, and it worries him.

"Experts are saying the dealer count will be down to 17,000 by 1990, and some are saying it will be under 10,000 by the year 2000," says Strauss, owner of Dick Strauss Ford-Isuzu Inc. in Richmond, VA.

"I want to see if there will be a place for small and medium-size dealers, or whether we'll be a nation of mega-dealers. There's even some speculation that dealers will get so large they may go public."

He sees a portent in the move by manufacturers to acquire non-automotive businesses such as savings banks and aerospace companies.

"If the manufacturers are saying, 'We can't make it on the auto industry alone,' then auto dealers ought to take a hard look at what kind of adjunct businesses they might take on," Strauss says.

Satellite lubrication centers, tire retail centers, and leasing and rental—not just of cars and trucks, but of boats, planes and computer equipment—are

all possible areas of diversification for dealers, he says.

"Dealers are eminently qualified (to diversify) because the average auto dealer runs six or seven businesses today," says Strauss. "A dealer has to be versed in a lot of fields—computers, high finance, credit, inventory controls, advertising, human resource development. Some of that energy could be channeled into other areas."

When it comes to running a dealership, Dick Strauss knows what he's talking about. He started out over 30 years ago at the same dealership he now owns, when it was called Commonwealth Ford. Recently discharged from the Navy, he walked into the store to buy a car, and managed to get himself hired as a salesman. He worked his way up through the ranks, became president in 1961 and bought the store in 1971.

Strauss has been heavily involved in industry activities in his 32 years in the business. He was recently elected to the Ford National Dealer Council for 1986, and is a past president of the Virginia Automobile Dealers Association, the Richmond New Car Dealers Association and the Virginia Dealers Election Action Committee, among others.

He is also a prominent figure in the Richmond community, serving on the boards of United Way, James Madison University, the Retail Merchants Association, Johnston-Willis Hospital and the Bank of Virginia. Strauss is a past chairman of the Metropolitan Richmond Chamber of Commerce, former executive vice president of the Arts Council of Richmond and former director of Richmond's Better Business Bureau.

Even with so much of his energy channeled into the community, Strauss

"Every aspect of our business is becoming much more professional. Computers revolutionized the way we market and service our products. The business demands new management skills and new expertise. *Project 2000* will anticipate these changes."



Frank McCarthy and John J. Ferron

is very involved in the day-to-day operation of his dealership, and he feels his firsthand experience of problems that arise in the course of the day's work will enhance his contribution to the *Project 2000* panel.

His hope for *Project 2000* is that "out of it will come some direction for dealers to ensure that they can see the year 2000."

NADA's staff representatives to the *Project 2000* panel, Frank McCarthy and John J. Ferron, bring a wide range of experience to this effort.

McCarthy, executive vice president of NADA since 1968, has helped establish many new programs and services

When Your Customers Seek the Unique,
BLACK IS GOLD.



Cars & Concepts' Grand Touring Coupe turns personality into profit. This striking package makes the temptation of buying a Lincoln Mark VII LSC irresistible. Our exclusive Grand Touring Coupe consists of an appearance package in a variety of colors. For the driving enthusiast an additional Jack Roush Performance handling package is also available. For more ordering information contact Cars & Concepts dealer direct sales department at 1-800-521-9753 or (313) 227-1400.



12500 E. GRAND RIVER AVENUE BRIGHAM, MI 48110

Circle #8 on Reader Service Card

"We'll hear from the best minds in our industry and other businesses. And we'll listen to consumers who can help us devise programs to relate more effectively to the buying public."

Objective: FIND A SINGLE, RELIABLE SOURCE FOR MY TOTAL FINANCING NEEDS



The Dealer's Choice

It's easy to see why more and more automobile dealers choose Borg-Warner Acceptance Corporation as their only source for financial services.

Because our business, and only business, is to provide a complete line of financial services designed exclusively for the import dealer.

Services like an open-lot insurance program that have new car dealers doing cartwheels because it offers more coverage at less cost. Wholesale floor planning with the flexibility import dealers need.

Retail financing that enables you to offer your customers prompt credit decisions and competitive terms and rates.

Additional programs like leasing, rental, cap loans and more are always available, and most important, our ability to listen to you in order to offer the right mix of services you need.

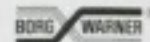
Proof of our commitment to the automobile industry is in our history of continuing financial service regardless of economic conditions, lending regulations or portfolio requirements.

After all, helping import dealers run a more profitable business is what BWAC is all about!

For more information about how you can benefit from what we have to offer call or write Bob Pullion today.

Call toll-free: 1-800-551-5661
in Illinois: 1-800-323-9604

The Import Expert



Borg-Warner Acceptance Corporation
Subsidiary of Borg-Warner Corporation

104 Wilmot Road
Deerfield, Illinois 60015

Circle #5 on Reader Service Card

to meet dealers' needs. Symbolic of that growth are the assets of the National Automobile Dealers and Associates Retirement Trusts, which have increased from \$34.9 million to over \$759 in 18 years.

Throughout this period, McCarthy has promoted the dealer voice on Capitol Hill, and through the Dealers Election Action Committee, formed in 1975, increased the dealer role in congressional elections.

A graduate of Notre Dame University and Georgetown University Law School, McCarthy served as legislative counsel of the Interstate Commerce Commission and the House Rules Committee before joining NADA.

Ferron, vice president of NADA, planted the seed for the idea of *Project 2000* in the book he co-authored in 1984, "Betting on the Franchise—Car and Truck Retailing into the 1990s." The co-author, Jake Kelderman, is now executive director of NADA's Industry Affairs division.

As NADA's No. 2 staff executive, Ferron supervises NADA's government, industry affairs and dealership relations activities. He serves on NADA's Legal Defense Review Committee, which identifies legal cases for possible financial support.

Before joining NADA, he flew tours in Vietnam as a pilot of two different airplanes, and was awarded the Distinguished Flying Cross.

Ferron is a 1968 graduate of the U.S. Air Force Academy, where he majored in international affairs with an emphasis on economics and political science. He is also an attorney.

The *Project 2000* panel's findings and recommendations will help form NADA policies, strategies and services of the future, according to McCarthy. "We'll hear from the best minds in our industry and other business communities. We'll listen to government people who really know our business. And we'll listen to responsible consumers who can help us devise programs to relate more effectively to the buying public."

The project won't attempt to protect the status quo, Ferron stresses. "Change is all around us. We recognize it. And one of our goals is to make sure NADA stays on the cutting edge." ■

Joan Mooney is associate editor of Automotive Executive; Gary James is managing editor.



NEW EXECUTIVE MOVES TO REVIVE PEUGEOT

By Gary James

In terms of sales, improvement has been modest. Through April of this year, Peugeot sold 4,493 cars, compared with 4,472 in 1985. But numbers don't take precedence with Peugeot Motors of America's new executive vice president Pascal Henault. He has his eyes set on other targets.

"I'm pragmatic," he says. "I won't play on the moon and say that sales will jump to 25,000 this year and 60,000 by

the end of the decade. My goal is to recover dealer confidence first, then work on sales. To position ourselves for long-term growth, we have to rebuild our relationships with dealers and customers."

Henault, who took over as head of Peugeot's U.S. marketing arm in January, looks for 1986 sales of 18,000 cars, an increase of 20 percent over 1985's 15,241. In 1987, he hopes to raise Peugeot's sales back to the record 20,000 reached in 1984—the year prior to the company's nose dive.

"I see no reason to make predictions beyond 1987," Henault says. "I'm too new at this job, and many question marks exist in this market. Peugeot wants a strong presence in the United States, and we're doing all we can to improve."

"Our situation here is not satisfactory. In 1985, the market we compete in—upscale, imported luxury cars—was up, but Peugeot's share dropped. That means problems. Most rest in our dealer relations. Our products are fine."

Peugeot's problems surfaced last

"In 1985, the market we compete in—upscale, imported luxury cars—was up, but Peugeot's share dropped. That means problems."

summer, when a specially formed coalition, the Peugeot Dealers Association, led a campaign urging the removal of Henault's predecessor, Peirre Lemaire, and James Fitzhenry, general sales and marketing manager. Complaints centered on model mix, distribution, advertising and marketing. Dealers didn't agree with Peugeot's ad image in this country, nor the products they were given to sell. They griped that major programs—including a new leasing plan—were being announced in the press before dealers were told.

When discussion with Peugeot's American brass proved fruitless, the association took its arguments directly to Automobiles Peugeot in France. Late last year, the company announced the retirement of Lemaire. Fitzhenry stepped down several months later.

Findings from the November 1985 NADA Dealer Attitude Survey, published in the April *Automotive Executive*, demonstrate the situation's gravity. In almost every category, Peugeot ranked near the bottom. In six months' time, the company fell from 13th to 29th (last out of 29 franchises queried) in vehicle distribution, 10th to 23rd in parts distribution, 25th to 29th in dealer input and 10th to 29th in sales staff training.

"There was tremendous miscommunication," Henault says. "Dealers felt cut off—nobody talked to them or looked for their input. Disagreements over model mix blew way out of proportion. My job is to make dealers part of our team again."

Henault, just 39 years old, brings a reputation as a tough, no-nonsense administrator to his new job. He joined Automobiles Peugeot in 1970, and was named pricing manager in 1976. In 1978, he became head of planning for the marketing department and, in 1981, took charge of product planning, pricing, customer surveys and marketing research. Most recently, he served as co-director of Automobiles Peugeot's parts division.

As parts co-director, Henault says he had a lot of contact with dealers worldwide. "We faced a similar situation

with our dealers during that time. They had no confidence in our operation, and started to increase business with outside suppliers. But we worked hard to retune marketing to better meet their needs and regain trust. Last year turned into the best ever for Peugeot parts."

Accent on Communication

Henault has moved quickly to get Peugeot Motors of America back to speed. A first step was to split sales and marketing into two separate functions, both reporting to him. He named Jean-Philippe Fournier national marketing manager and John Kubernat interim national sales manager. Both are longtime Peugeot veterans.

"We'll be more effective with two people spearheading these efforts," Henault says. "And while the functions are separate, they will move in the same direction. We will establish a clear image, with specific goals, and everyone will work to make them happen."

Henault also has taken to the road, meeting as many dealers as possible. So far, he's traveled to New York, Philadelphia, New Orleans, San Francisco and Los Angeles. He wants dealers to understand his arrival means a fresh start.

"I've inherited a fantastic dealer network, and I plan to make the most of it. Past problems resulted in lost sales, and many dealers, the majority duals, turned to other lines for profits. It's time to show them what Peugeot can do."

"Dealers are our first customers," Henault adds. "We lost their trust, and that trust is critical to our performance. We must listen to them and learn to anticipate their needs. If we do that well, you'll see sales climb."

Henault also is meeting with Peugeot field representatives to improve communication at that level. His aim, he says, is to create a free flow of information. "We want to know when problems develop so we can take immediate action. Dealers felt nobody listened."

That feeling, Henault says, created unnecessary friction. A case in point is a controversy about the late availability

of a turbo version of the 505 in a four-speed automatic. "We delayed the introduction of the turbo automatic to get the kinks out. At our price range, we should never bring a car to market unless it's perfect."

"Dealers, however, perceived the delay as a marketing error. They couldn't understand why we brought the five-speed manual over but not the automatic. That version was ready, so we made it available. Dealers usually understand the problems engineers face developing new products, but because of miscommunication, they leaped to the wrong conclusions. When you have good dealer relationships, they understand, and agree to take slower-selling models until others become available. Ours didn't buy it."

Creating an Image

In addition to dealer relations, another key challenge Henault faces is establishing a clear U.S. image for Peugeot's products. For the last few years, the company has used a "lifestyle" approach for its ads, picturing Peugeots with attractive couples and families in everyday situations. According to Henault, this image represented "no image," and he plans to reposition Peugeot sedans and wagons as drivers' cars.

"Advertising will highlight Peugeot's performance reputation, earned in competitions worldwide. We will project a dynamic image, communicating Peugeot's power and performance, as well as superior ride and handling."

"Until now, when Americans considered performance imports, they looked at Mercedes, BMW, Volvo, Saab and Audi. When they wanted comfort and styling, they came to us. But our cars offer much more."

In January, Henault switched ad agencies, leaving Ogilvy and Mather for HCM Inc. and a fresh approach. "Our new campaign sells the 505 as a line of family sports sedans and wagons—family because they are four-door and spacious; sports because of the turbo power and ride."

"This is a big change," Henault con-

Sell more. Save more . . . with our lighting system.

Our lighting system is designed for energy efficiency, ease of maintenance, reliability, durability and performance. This means that we can save you thousands of dollars per year.

Your sales can increase significantly with a modern lighting system. Our Application Engineers will insure that you will have the lowest possible operating cost for the performance you need, and we will provide you with a complete engineering analysis to prove it.

All you have to do is call our "Automotive Department". It will be the most profitable call you'll make today.

Let us show you how. Call Toll Free 1-800-255-9520 In Texas call 1-800-833-8371.

JW LIGHTING, INC.

Subsidiary of Kiddle, Inc.

KIDDLE

LIGHTING

PRODUCTS

DIVISION

Circle #21 on Reader Service Card

Call The Efficiency Experts in Auto Lot Lighting
P.O. Box 45919 Houston, Texas 77245
(713) 413-4511

"I've inherited a fantastic dealer network, and I plan to make the most of it. It's time to show them what Peugeot can do."

tinues. "We're emphasizing Peugeot's performance tradition. We will still attract those customers who want comfort and styling—that's what we're known for. But we want to also attract customers looking for a top road car."

Ad spending for 1986 remains at the same level as last year—\$15 million. Peugeot didn't increase the budget because, Henault says, "we already spend a high number of dollars per car on advertising. We want more efficiency with our spending—more results."

Peugeot launched new TV advertising with a five-week campaign in 14 major markets this spring. Ads also ran in national editions of the *Wall Street Journal* and *USA Today*. Local newspaper bookings increased from 12 to 14 major markets.

Henault expects dealers also to become more aggressive in promoting Peugeot in their home markets. "This is critical," he says. "We have only a certain amount of money, so we need dealer involvement." To help, Peugeot is strengthening its co-op ad program, producing materials consistent with the new image. "We need to revive co-op efforts. Some groups work great, but others are hardly active."

The product on which Henault hangs the corporate image is the 505 turbo sedan with intercooler. "This is our top performer, the one we want to give the most exposure." In response to U.S. tastes, the 505 turbo is available this year with automatic transmission and a new climate control system. In addition, a new Euro tech interior has been intro-

duced to the entire 505 series.

For the 1987 model year, Peugeot will introduce two new engines for the 505 sedan: a 2.2-liter, four-cylinder and 2.8-liter, V-6, in automatic and manual versions. A wagon version will follow shortly. Also under development are a new anti-lock braking system and a new car line, to be positioned slightly below the 505 series in price and features.

To back up coming technology, Henault is improving dealership training, especially training of technicians, service advisors and managers. In the fall of 1985, the company revived its training courses to better meet the needs of dealership technicians. All the new courses have now been implemented in Peugeot's seven nationwide training centers, Henault says.

"We have a real job ahead. We must offer continual training so our dealers don't get left behind. Some developments we're exploring, like a 16-valve engine, require new servicing techniques. We can't afford just to sell our cars and not back them up."

Part of the problem, Henault says, is that many Peugeot dealers sell too few cars to provide a high level of service support. "Each dealer should have at least one technician specializing in Peugeot products. But with sales per dealer so low (an average of 53 in 1985), many dealers haven't done that. They're dual-edged, and they concentrate their attention on other makes."

Henault says service lapses may be a big factor in another Peugeot difficulty—lack of repeat customers. "To

grow, we have to attract customers back. Brand loyalty for the industry as a whole has been eroding, but for us it's a severe problem."

Last year, we started a program to track service problems. We also conduct surveys now to quantify the quality of our cars and customer satisfaction. This data creates a buyer profile, as well as a profile of potential customers who buy elsewhere. Once we know why we lose a customer, we can improve performance and go after them again.

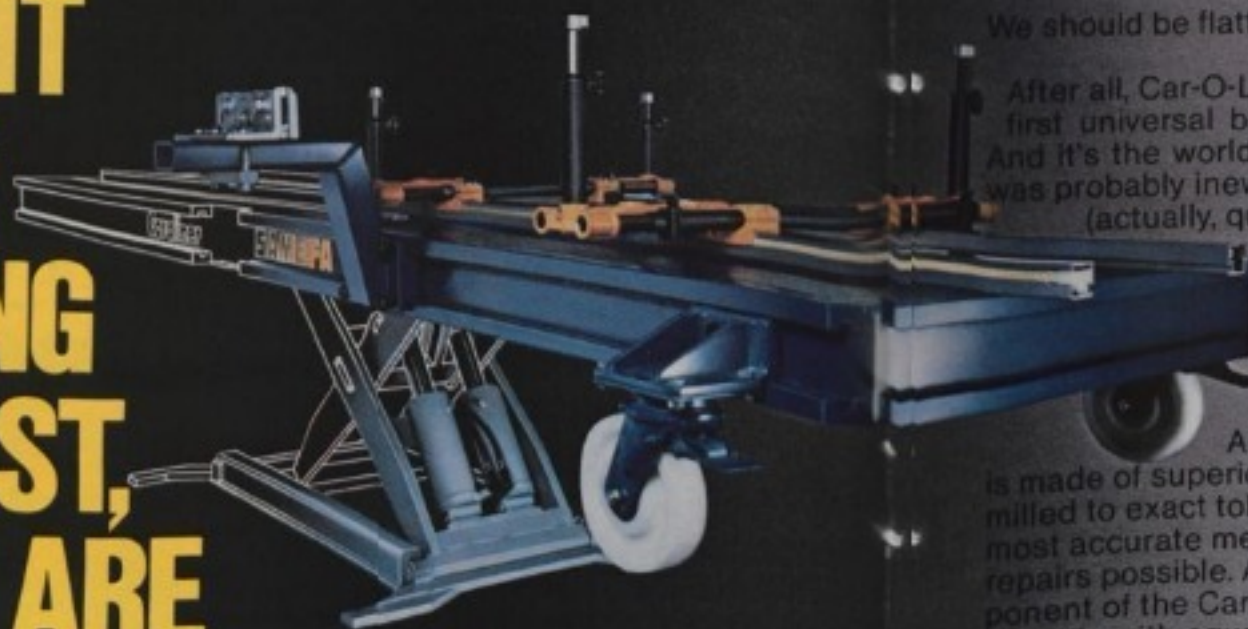
"Our dealers are ready to move," Henault adds. "I'm confident we can get back the market share Peugeot and its dealers deserve."

Gary James is managing editor of Automotive Executive.

Jack Price, NADA's import line group chairman, says he is very encouraged by Peugeot's new direction. "Peugeot realizes it has problems, and is now on a course to regain the reputation it previously enjoyed," he says.

Pascal Henault recognizes one of the most important ingredients for the success of any new-car franchise is establishing an open relationship between manufacturer and dealer. He is taking affirmative steps to improve this vital link. His drive to re-establish a close relationship with his dealer network and consumers is to be commended. ■

**WHEN IT
COMES
TO BEING
THE BEST,
THERE ARE
NO GREAT IMPOSTORS.**



We should be flattered.

After all, Car-O-Liner was the world's first universal bench repair system. And it's the world's best-selling. So it was probably inevitable that someone (actually, quite a few someones) would try to copy it. Unfortunately for our impersonators, look-alikes just don't work-alike.

A Car-O-Liner bench is made of superior Swedish steel, milled to exact tolerances, for the most accurate measurements and repairs possible. And every component of the Car-O-Liner system is made with equal precision. That's why no Car-O-Liner copycat gives you the incredible

accuracy of the real thing.

And only Car-O-Liner gives you Car-O-Liner data sheets, the most accurate and up-to-date repair specification information in the industry. Our after-the-sale service and support can't be imitated, either.

So when you see something that looks like a Car-O-Liner, but isn't, please consider this. There's a reason our competitors have gone to such great lengths to copy our product:

They know a good thing when they see it.

Car-O-Liner Company
27581 Schoolcraft Road
Livonia, MI 48150, (313) 427-5200
Toll Free: 1-800-521-9696
(except in Michigan, Alaska and Hawaii)

CAR-O-LINER®
NOTHING COULD BE FINER

THE ENVIRONMENT FOR PROFIT



Your customers worry about what the environment does to the appearance of their cars and trucks. And many wish they could protect themselves from the high cost of undoing what Mother Nature does to a vehicle exterior.

Ford Parts and Service Division has a new program designed to help these customers—and build your profits. Ford Environmental Protection Plan (EPP™): a five-year, unlimited mileage contract that can protect your customers' Ford and Lincoln-Mercury vehicles against paint deterioration and rust perforation.


JUST GOT A WHOLE LOT BETTER.

Customers who purchase the Ford Environmental Protection Plan can keep their cars looking great and maintaining a higher value, regardless of the environment in which they drive. If they experience abnormal paint deterioration or body perforation rust within five years of their original warranty start

date, the cost of any necessary repair or replacement work up to \$1,000 is covered—with only a \$50 deductible.

Best of all, Ford EPP can mean increased income for you. With profits from the sale of every EPP contract, and profits down the road—from satisfied owners who return to you for their next new-car purchase.

Contact your FPSD District Office now about the Ford Environmental Protection Plan. For customer satisfaction and profit opportunities—come rain or come shine.

Ford Parts and Service Division 

Circle #15 on Reader Service Card

SERVICE CONTRACTS

Looking Beyond The Bottom Line

By Gerry Donohue

Choosing a service contract company can be like Russian roulette for an unwary dealer.

While the majority of suppliers are reputable and stable, offering dealers security and good returns; others attract business with low prices and high benefits, then go belly-up, leaving the dealer with business-threatening liabilities.

The bankruptcies of the North American Dealers Group (NADG) in 1979 and the United Dealers Group (UDG) a few years later still haunt the service contract industry. Dealers burned by those failures know the dangers faced when a service contract firm goes out of business—dealers carry the final liability.

To protect themselves from that eventuality, dealers can look only to themselves. Before a dealer signs on with a company, he must know the industry, understand its intricacies and study the past performance of prospective suppliers and products.



Illustration by William Coulter

"The dealer is the responsible party," says Kevin Tighe, partner in the law firm of Tighe, Curhan & Pillero; Washington, DC, and general counsel for the American Warranty Corp. (AWC). "He has to know what he's doing and with whom he's doing it in the service contract industry, so that profits taken in today are protected tomorrow."

Rating the Administrator

To get the highest level of protection, dealers should look to fully insured service contract programs. Under a fully insured program, the dealer contracts a service contract company to be his agent. The service contract company assumes responsibility for processing and approving all claims and for securing payment from its insurance company. The insurance company becomes responsible for payment of all approved claims.

Nevertheless, just because a program is fully insured, dealers should not blindly sign up. Service contract com-

panies vary significantly in their stability, services and track records. Dealers need to be extremely careful in selecting their company, because the wrong decision carries heavy dealer liabilities.

Both NADG and UDG were fully insured programs. Nevertheless, both went bankrupt. And in NADG's case, the company's demise also pushed its insurance company, Proprietors Insurance, into bankruptcy.

These companies failed primarily because they offered cut-rate pricing to beat the competition, but couldn't cover the liabilities because of insufficient reserves. Unfortunately, many dealers were taken in by the low prices.

"Dealers have to be very careful to strike a balance between risk and security," says Lockett Epstein, director of marketing at General Warranty. "If a dealer goes for the lowest price, he can be left holding tremendous liability."

To ensure they work with a well-managed company, dealers need to research that company thoroughly in a number of areas: the administrative

**NEW
RATES COMING**
Equitable rates with
simplified schedules

**LIMITED
WARRANTY**
meet your "lemon law"
requirements, 30 and
60 day used car protection

**EXPRESS
PAYMENT OF CLAIMS**
instant credit to repair agency
via Master Card or Visa

**DEALER
AUTHORIZATION
OF CLAIMS**

The dealer's own service
department can authorize up to
\$500.00 on covered repairs

TELEMARKETING
it's "found money" for
dealers, turn lost business
into \$\$\$\$\$

Check
us out

1-800-CALL-MIA

**Financial
Stability**

MIA Service Contracts
are backed by
Industrial Indemnity
Company, part of the
Crum & Forster organization.

Coming Attractions
Screening
Nationwide

Circle #24 on Reader Service Card

company; the insurance company behind it, and the relationship between the two.

Dealers should look into the adminis-

trator's reimbursement policies. Does the company pay retail prices on parts or use a formula? Does it pay flat rate or negotiated rate, and which flat-rate

manual does it use? Obviously, the administrator should use the same manual as the dealer.

If possible, the dealer or a dealership representative should visit the administrator's office, see how it conducts business and talk with personnel.

"The dealer especially should ensure that the claims department is comprised of individuals who have backgrounds as service writers in dealerships so they will understand claims," says AWC's Tighe.

The dealer should also ask the administrator for dealer references in his area. He should then ask those dealers about their experiences with the administrator. How quickly are claims paid? What is the frequency of rejection? How good is the company's general agent in keeping the dealer informed of new programs or changes? How competitive is the product?

Another important area that the dealer should research is the company's longevity. In the service contract industry, age often translates into stability. Tighe says any company that has less than five years in the industry may have problems operating in the market in the coming years.

He asserts that the foundation of any good service contract company is the data base on the cars it covers. American Warranty, for example, has done actuarial tables on every foreign and domestic car sold with an AWC-administered contract since 1974.

"With good comprehensive actuarial data, an administrator can price its products correctly, not by pulling something out of a hat," Tighe says. "If they don't have it—and the majority of service contract companies don't—the dealer is taking a big risk in the search for profit."

While actuarial tables give service contract companies sound data on which to base prices, they are of only marginal value for today's new, high-tech cars, asserts John Lurcel, national marketing director for Mechanical Insurance Associates (MIA).



Professional Series Cellular Telephone
It's for you!

ARA, with over 35 years of after-market expertise has a full commitment to the cellular mobile telephone industry.

As an ARA distributor, not only do you receive the most technologically advanced mobile telephones available, including a completely portable unit, you receive the training, service, and financial backing only ARA can give you.

Let ARA put you in the cellular mobile telephone business.

Consumer Lease Programs Available

**-High Profits-
-Minimum Risk-**



AIR CONDITIONING • SOUND SYSTEMS
POWER WINDOWS • DIGITAL CLOCKS
TRANSMISSION OIL COOLERS

ARA

SPEED CONTROLS • POWER DOOR LOCKS
AIR CONDITIONING/HEATER REPLACEMENT
PARTS • ANTENNAS

Manufacturing Company
P.O. Box 534002, 606 Fountain Parkway Grand Prairie, Texas 75050 214/647-4111

Circle #2 on Reader Service Card

**YOU DON'T
HAVE TO
LOOK FAR**

**TO FIND
THE FINEST
F&I SERVICE
IN THE
INDUSTRY.**

**WE'RE WESTERN DIVERSIFIED.
WE'RE IN YOUR DEALERSHIP
EVERY WEEK.**

wd

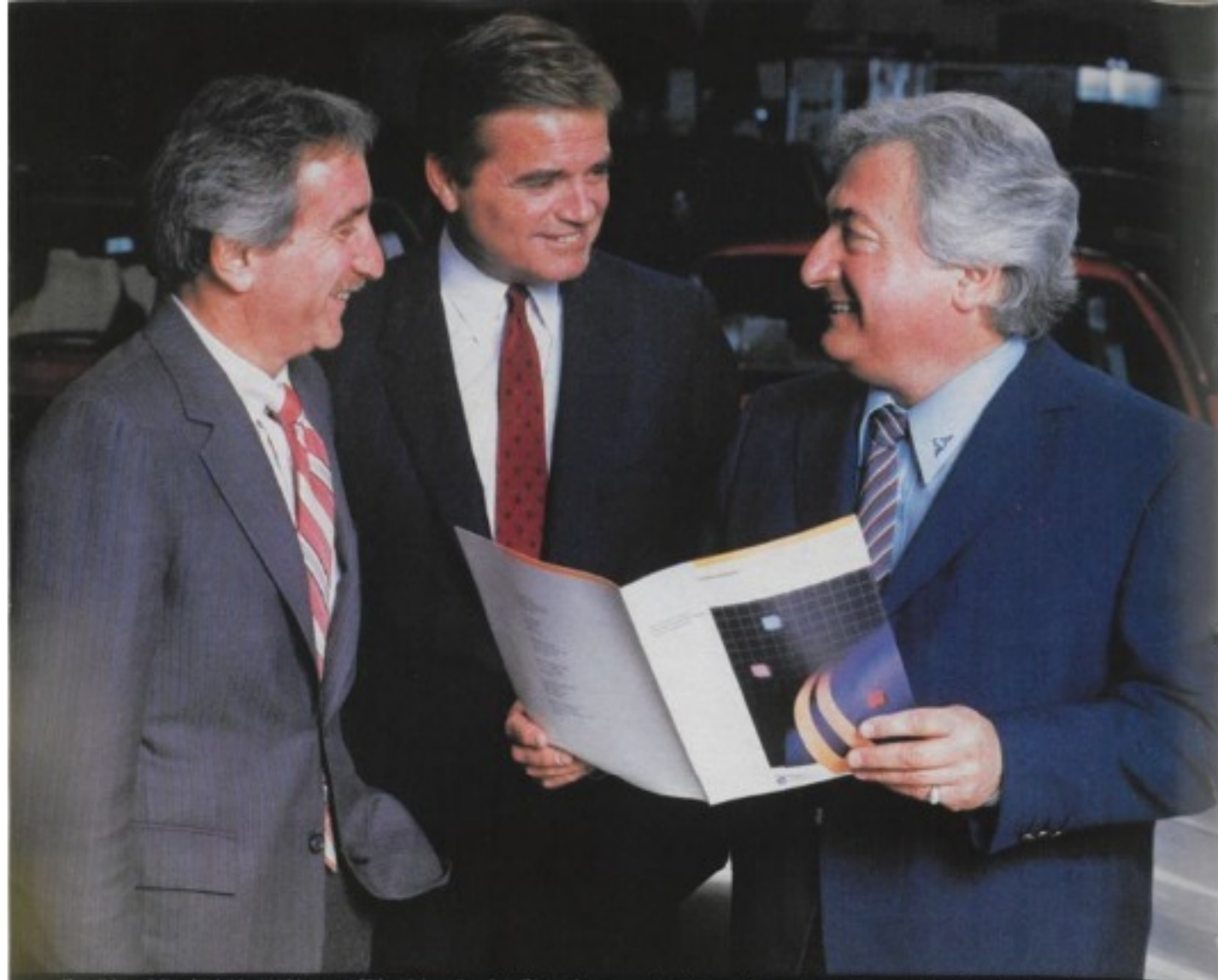
"Whatever it Takes"

WESTERN DIVERSIFIED

312-272-8300 800-323-5771



Circle #36 on Reader Service Card



Maury Erlson (left) and Nick Gelosi (right), owners of Gelosi-Erlson Chevrolet in Chicago who were recently ranked among the top ten dealers in the country, discuss how Lifetime Satisfaction™ has increased their vehicle service agreement sales penetration with Jerry R. Farrar, president of the General Group of Companies and one of the founders of the vehicle service agreement industry.

"Flexibility Increased Our Penetration."

"General developed its Lifetime Satisfaction Package™ specifically to increase penetration in vehicle service agreement sales. Its flexibility is a real profit breakthrough at Gelosi-Erlson Chevrolet.

"Our customers only pay for the exact coverage they want, for as long as they plan to own their cars. With a complete range of coverage, years and mileage,

Lifetime Satisfaction™ gives us the flexibility to tailor the right plan for every customer. Today our penetration is over 75%.

"Lifetime Satisfaction™ is underwritten by Imperial Casualty and Indemnity Company, a wholly owned subsidiary of Amoco Corporation. Imperial has fully insured General's service agreements since its founding, and we like that security.

"The final test is claims, and we find that General's claims system is both fast and fair. Plus General's local marketing specialist provides direct assistance whenever we need it. It's a good product—and a great relationship."

Nick Gelosi Maury Erlson
Gelosi-Erlson Chevrolet

Ask us about the industry's best ideas today. Call James C. Mosebrook, Senior Vice President of Sales. Toll-free 1-800-228-6624. In California 1-800-457-5382.



Executive Office:
24428 South Vermont Avenue
Harbor City, California 90710
(213) 554-8300

Eastern Regional Office:
Mike Payne
Washington, D.C.
(202) 757-4599

Southeastern Regional Office:
Ron Glone
Smyrna, Georgia
(404) 454-8111

Southwestern Regional Office:
Ron New
Dallas, Texas
(214) 385-2362

Northeastern Regional Office:
Joe Dellina
Hawthorne, New York
(516) 979-7880

Mid-Atlantic Regional Office:
Jack Walsh
Towson, Maryland
(301) 337-5591

Available in most states. This program offered in Florida by IMPERIAL SERVICE PLANS, INC. FL license #00045.

Circle #19 on Reader Service Card

Self-Insured, Third Party or Fully Insured?

Over the years, service contracts have evolved into three basic types: self-insured programs; third-party administered programs; and fully insured programs.

Under self-insured programs, dealers provide the coverage, keep all the profits and retain total liability. Typically, a dealer charges an established fee for the service contract, pays himself a set amount as the administrator, takes a profit and puts the remainder in a reserve fund, from which to draw claims payments.

This system has several drawbacks. The money set in reserve is not tax-deferred; the dealer has to pay taxes on it at the time the contract is sold. This can cause significant tax and cash flow problems for dealers.

Further, in the last recession, some dealers used their self-insurance reserves as operating capital to keep afloat. When claims started coming in, they didn't have sufficient funds, causing serious problems for both themselves and the consumers.

Problems such as these have led many states to consider regulating service contracts not backed by licensed insurance companies. If that occurs, dealer profit would be reduced, prices would be fixed and dealers would have to be licensed as insurance agents.

The second type of program is a third-party-administered program

backed by stop-loss insurance. Under this program, the dealer sells the service contract and deposits the reserves in an account, which is administered by a third party. If claims exceed reserves, the third party carries insurance to cover them. That insurance, however, is often only a thin layer and only covers liability to a certain level; if claims exceed that level, liability reverts to the dealer.

This type of program often attracts dealers because dealer cost is often quite low and it is "insured." Nevertheless, because of the potential liability of this program, a dealer should think twice before signing up—a worst-case claims scenario could put him out of business.

Self-insured programs, which were viewed as a windfall profit center for dealers in the early 1970s, have basically fallen by the wayside today, asserts Kevin Tighe, general counsel for American Warranty Corp. "And third-party administered programs offer the dealer the enticing dilemma or risks vs. profit. If the dealer is a high-roller and betting on the come, he'll go for as much money as he can.

"The more prudent dealer, however, looks for a profit center unencumbered by these risks."

Tighe asserts dealers will find that profit center in the fully insured service contract program. ■

"The whole industry has taken its lumps recently and the primary reason is the change in the automobile," Lurcel says. "Cars are changing geometrically as far as technology goes. We still emphasize actuarial tables, but we also concentrate on industry developments and try to forecast what will happen."

The final criterion is the administrative agreement. First of all, does the company have one? Then, does the agreement clearly spell out how the administrator legally obligates himself to represent the dealer?

For example, what happens when the administrator rejects a claim and the consumer insists that the claim is valid? Service contract companies handle this in a variety of ways.

MIA has field representatives to meet with the customer to solve problems. If a problem continues and goes to arbitration, MIA assumes responsibility, not the dealer. General Warranty also has arbitration. AWC gives the dealer legal indemnification, if it denies a claim and the customer takes a case to court.

In the case of the manufacturers' programs, the dealer is left out of the procedure almost from the start. When a customer has a claim dispute with the Chrysler service contract program, Chrysler sends an independent inspector to check on the claim's validity.

"If it goes farther than that, it's going to be Chrysler that pays the bill, by virtue of the contract being between Chrysler and the customer," says John Lichtenberg, manager of finance for the Chrysler Service Contract Division. "Our big emphasis in the program is customer satisfaction."

"At GM," says Al Thomas, director of the GM Protection Plan, "our primary business is selling cars. We don't want any problems with our customers that negatively affect that business. We don't want to turn down a claim."

Thomas says that GM goes even farther in clearing up any gray areas between customers and the service contract company.

"We will cover the failure of any part, even if no defect is involved."

Rating the Insurer

Once the dealer has established that a service contract administrator has a strong, stable program, he must turn to the next link in the chain, the insurance company behind the service contract company.

Just as with the administrator, the dealer needs to examine the financial health of the insurer. The first step is the A.M. Best ratings of insurance companies. If A.M. Best doesn't give the company a good rating, the dealer should immediately shop for another program.

If the insurer has a good rating, the dealer should then study the company's certified financial statement of net worth. By looking at the strength and breadth of the company's business, the dealer learns firsthand that the insurer will be able to cover even a worst-case scenario.

Next the dealer should ask about the insurance policy. Is it issued to the

dealer directly or is it a master umbrella policy covering dealer clients as a group?

"After NADG's insurer, Proprietors Insurance, started to fail, it began denying claims left and right," AWC's Tighe says. "Proprietors said to dealers, 'Show me your insurance policy or we won't even process the claim,' and because it was an umbrella policy, none of the dealers had individual policies."

"The policy has to be issued to the dealer. In addition, the policy should adhere to the service contract. It seems almost too simple, but if they don't agree with each other, the dealer will be the one who loses."

Tighe suggests dealers ask themselves what would happen if the whole market were to fall apart tomorrow. If the insurer couldn't cover the claims, bankruptcy would follow, putting all that liability back on the dealer. To cover themselves against this possibility, a few insurers have reinsurance coverage, which covers their liabilities if they can't. Dealers need to know what kind of reinsurance their prospective insurer carries.

Obviously, in GM's and Chrysler's programs, the resources of these huge corporations stand behind the service contracts. American Warranty's insurer, United Equitable, has more than \$12.2 billion in reinsurance coverage through a consortium of the country's largest insurance companies, and General Warranty's Imperial Casualty and Indemnity is covered by Lloyd's of London.

Rating the Relationship

The final piece in this puzzle is the relationship between the insurer and the service contract company. This relationship can tell the dealer a lot about the two entities and about whether he should sign on with them.

Dealers should avoid service contract programs that have used several insurers in a relatively short period of time. If the service contract company can't hold on to an insurer, it's a sign that

the program isn't being run well enough to provide the insurance company an adequate return.

NADG, before it went bankrupt, went through four insurers. Competing in the market on its low price, it didn't have the financial base it needed to cover claims.

On the other hand, General Warranty has insured with Imperial Casualty and Indemnity for five years, and MIA has been with Industrial Indemnity for 2½ years, recently signing a long-term contract. If the insurer has confidence in the service contract company, the dealer can feel a little more confident, too.

American Warranty has a different relationship with its insurer, United Equitable; the insurance company has owned the service contract company since 1976.

Tighe says United Equitable's ownership solves a big problem between in-

surers and administrators—control. He asserts NADG's problems stemmed from the insurer not being able to control the administrator's business practices.

"If the insurer owns the administrator, then the insurer determines the premiums and tells the administrator how to set up the program," says Tighe. "This situation eliminates every single problem in the industry."

General Warranty's Lockey Epstein differs. "We like the flexibility to gear our products and services to dealers' needs. Further, we have other programs for which we sometimes use other insurers."

"If the insurer is the owner, the service contract company sometimes becomes more attentive to the insurer's needs than to those of customers."

Independent or Manufacturer?
As the domestic and import manufactur-

"Best of All Worlds"

ers have entered into the service contract market in force in recent years, many dealers have to face one more decision—whether to go with their factory's program or with an independent. Naturally, the various companies give conflicting answers.

"A prime selling point of the independents is that the consumer can take his car anywhere to get it repaired," says Tighe. "Of course, American Warranty urges the consumer to take it back to the original dealer because the whole idea is to build the repair business of the dealer, who is the real customer of AWC."

GM's Thomas says that the GMPP-covered vehicles can be taken to independent shops for repairs but that 95 percent of the customers go to GM

General Motors Protection Plan (GMPP) in 1979, GM has carried more than 4 million service contracts. Last year alone, GM sold 1.3 million service contracts.

"Business has picked up every year," says Al Thomas, assistant director of merchandising for GM and the GMPP director. "We're already seeing a 57-percent increase in service contract sales this year over 1985."

In fact, almost all service contract companies have been enjoying banner years recently. A primary reason for that success is dealers. Seeing their new-car margins shrinking, dealers have turned to service contracts as one way to flesh out their net profit. They are selling service contracts more aggressively and smarter, increasing penetration every year.

Customer interest, dealer commitment and the growing service contract company sophistication have all contributed to establishing this industry firmly in the retail automobile market.

Checklist for Comparison

Dealers can't be too careful when selecting a service contract program," says NADA Vice President J. Ferron. "They have to question every aspect of the service contract administrator, insurer and program to ensure that they don't endanger their profits—and their business."

Following are a series of questions that NADA recommends dealers ask before signing on with a service contract program.

To the administrator:

- Is the program fully insured?
- How long has the company been selling service contracts?
- Does the company have actuarial tables? If so, for how long have they been used? If not, how does the company determine prices?
- Does the company have an administrative agreement? If so, what dealer obligations does it spell out? What dealer rights?
- Does the company pay retail prices on parts or use a formula?
- Does the company pay flat rate or negotiated rate? If it pays flat rate, which manual does it use?

Are there former dealership service writers in the claims department?

To client dealers:

- Why did the dealer decide on the service contract company?
- How quickly are claims paid?
- What is the frequency of rejection?
- How good is the company's agent at keeping dealers informed about new programs or changes?
- How competitive is the company's product?

To the insurance company:

- How strong financially is the insurance company?
- How long has it covered the administrator? If coverage is only recent, what happened to the previous insurer?
- What is the relationship between the insurer and the administrator?
- Does the insurer issue an insurance policy directly to the dealer?
- Does the insurer carry reinsurance? If so, how much?

Further, Thomas says the primary selling point for the manufacturer programs is the lack of dealer liability. In its program, GM assumes all liability.

"Once the dealer closes the contract and we accept it, it's our responsibility," Thomas says. "The contract is between GM and the customer."

Further, if the GM program runs concurrently with GM warranties and if a repair is covered by the warranty, GMPP will pay towing and rental car charges.

"In our program," adds Chrysler's Lichtenberg, "Chrysler is responsible for fulfilling the contract, whereas with the independents it's the dealer's responsibility."

Lichtenberg says that Chrysler urges

customers to go to Chrysler dealers, because they benefit from Chrysler's concentration on quality repair work.

Despite the growth of the manufacturer programs, Kevin Tighe asserts that they do not offer the dealer the high returns available from the independents and that a correctly run independent program offers the dealer equal protection from liability.

"I see a very active and dynamic role for independent service contract companies in the future. They offer a positive, constructive alternative for today's car-buying public," Tighe says. "There's nothing more profitable for the dealer today than the service contract, and it is clearly here to stay as a marketing tool to strengthen repair business."

Gerry Donohue is assistant editor of Automotive Executive.



Gain recognition for offering appealing prizes (from \$1,500) and be involved in community affairs and sporting events!

You pay only our **low insurance premium**...at our risk!

BOWLING, BASKETBALL AND FISHING PROMOTIONS ALSO AVAILABLE

Call us direct for a **FREE** quote!

SPORTS ACHIEVEMENTS ASSOCIATION

12431 Lewis Ave. 202, Garden Grove, CA 92640
(714)740-1563
(800)421-3148
Outside CA (800)421-8522

Circle #32 on Reader Service Card

MAYBE THEY CAN'T CUT THE BUDGET AND STILL GET ALL THE JOBS DONE, BUT YOU CAN.



With Rotary's System 5000, Rotary's System 5000 is an incredible new lift/rack system that transforms your shop into a big operation without costly structural expansion. The System 5000 makes you a complete undercar specialist—and guarantees you total bay utilization! Because you'll be able to handle almost every type of service assignment. And that means more jobs, higher-ticket repairs, and...bigger profits.

Nobody can afford to overspend.



For your free System 5000 catalog, please call: 1-800-442-LIFT (1-800-442-5438). Inside Tennessee: 1-801-345-2900.

Yet, just like the guys on *The Hill*, you've still got to get the job done. You've got to serve your customers...and survive in a changing market. That's precisely why you'll want Rotary's System 5000—to "Make Your Bay Pay."

Because, as a shop owner, you're an expert at figuring the pro's and con's of any purchase decision. Your experience

has taught you to understand things like Cost/Benefit Analysis and Return On Investment. That's why, after you've seen how

incredibly beneficial the System 5000 is—in terms of increased business, expanded job capability, and greater profits...you'll see why owning one or more System 5000's could well

be the smartest, most revenue-producing investment you'll ever make.

Look at what you'll be able to do: Visual Inspection, Muffler Service, U-Joint Service, Brake Service, Vibration Correction, Strut Services, CV Joints, Transmission Service, Tire Service, Lube & Oil, Shocks, Wheel Alignment, Rack & Pinion Services and Transaxle Services.

ROTARY'S SYSTEM 5000
MADE IN THE U.S.A.

Put your money where your future is. Rotary's System 5000. For further details contact your local Rotary representative, or write: Rotary Lift Division, Dover Corporation, P.O. Box 20006, Airport Station, Memphis, Tennessee 38130.



PROMOTING YOUR BODY SHOP ATTRACTS BONUS BUSINESS

By Dave Demarest

If you own or are buying unibody repair tools, a paint booth or other body shop equipment, it's natural to concentrate your attention on that equipment's ability to do its job. After all, the main reason for adding new equipment is to improve productivity and profits.

But the work your equipment performs is only part of what it contributes to profits. By making your equipment the focus of a well-planned marketing program, it can be an equally valuable tool to sell the services of your shop. By promoting your body shop, you can attract new walk-in traffic, retain a higher percentage of insurance estimate business and create referrals for work from other shops.

Few new-car dealerships make any effort to promote their body shops beyond their current customer base. But the body shop isn't any different from other dealership areas: The more you promote, the more business you generate.

This article examines how to create a body shop marketing plan, and suggests a number of ways to promote your services aggressively.

Know Your Customer

You may have been doing business at the same location for 25 years, but I'll bet you're in for some surprises if you

research your customers.

One of the best ways to size up the people in your area is to use the business reference section of your library. Statistics on average household income and other local demographics may seem a little dry, but they give you a clearer picture of your market.

Less sophisticated research can also prove valuable. Adding up information from your own records tells you which neighborhoods your customers come from, what kind of cars they drive and how much they spend on repairs. Simply checking which station is on each car's radio when it comes into your shop can help you place advertising more effectively.

Set A Budget

There are four basic ways to set an advertising budget. First, there's the "affordable method," which is the amount you think you can afford to spend.

Second is the "percentage of sales method." Percentages vary, but spending 3 percent of gross sales on advertising is an accepted figure. Third on the list is the "competitive parity method," which means matching what you think your competition is spending.

Finally, there's the "objective and task method." After specifically defining what you'd like to accomplish (in dollar volume), outline what must be done to achieve those objectives. Add up the

cost of these tasks and you've got the skeleton of a budget.

Keep Score

Measuring the effectiveness of your promotions is simply the other end of setting goals. It's important to keep track of how factors like estimates per week are affected as different phases of your advertising program are introduced.

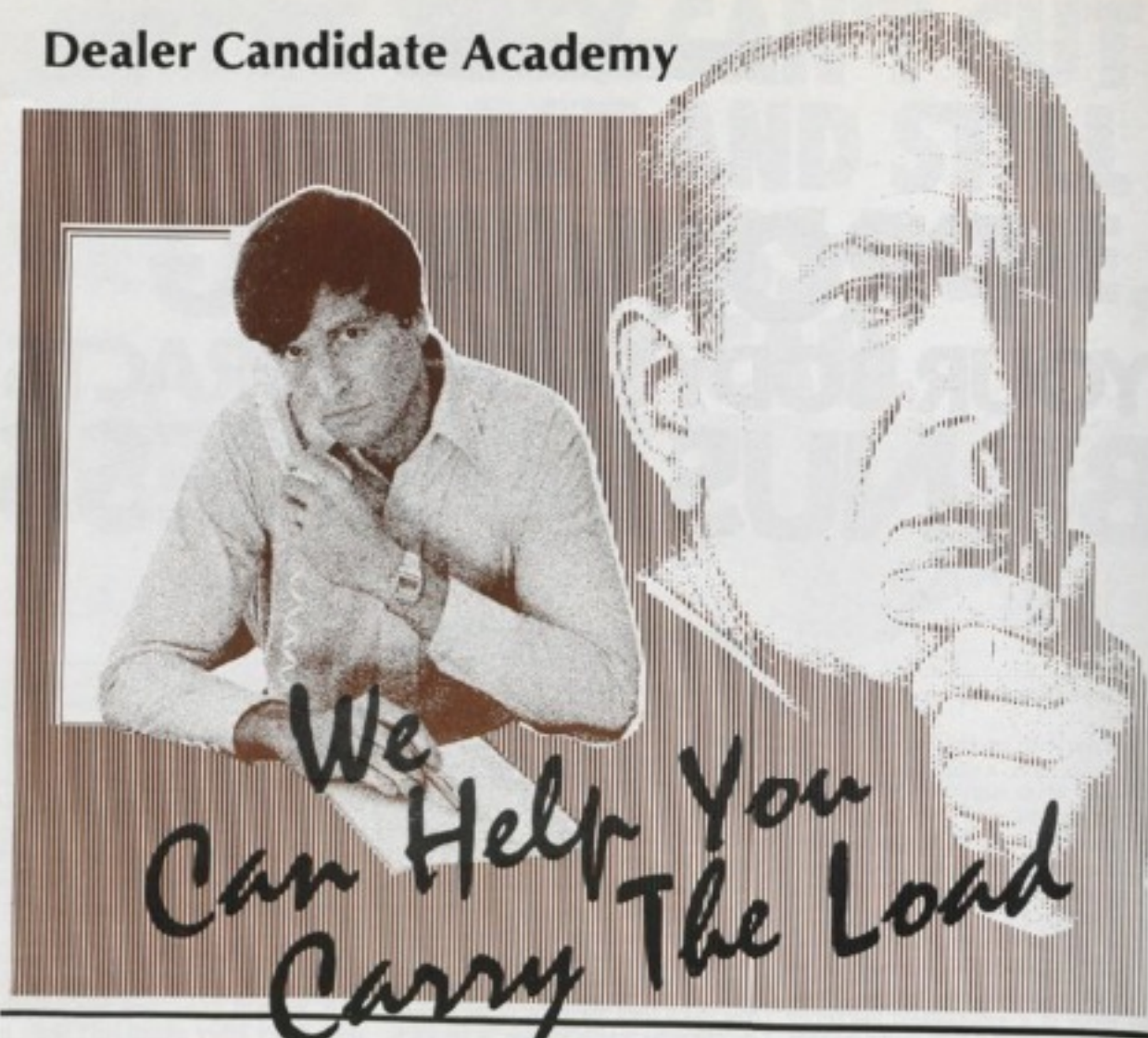
It's also essential to design a promotional program for the long run and stick to it. Isolated advertising that appears once every other month isn't likely to have much of an impact. If one combination doesn't deliver the return you expect after a fair trial, try another.

"At Shop" Promotions

Most "at shop" promotions are relatively inexpensive, yet they stand a good chance of being effective because your potential customer is a captive audience while he's in your shop. It's a golden opportunity to deliver your message. "This shop repairs cars using up-to-date equipment, operated by well-trained professionals." Here are some ideas.

Be creative. Common sense is the key ingredient of any effective "at shop" promotion. One shop I know displays "before" and "after" color photos of cars they've repaired. Mounted in an album with clear plastic pages, these photos serve as a valuable sales tool.

Dealer Candidate Academy



Training a successor isn't easy. And with all the responsibilities you face, that one can easily get put off.

But not training a successor can be a very costly mistake. Unless you plan to live forever. Or sell your dealership.

At NADA Dealer Candidate Academy, we pride ourselves on being the best. And that includes

providing the most comprehensive, on-target training for future dealers. Our graduates become active, contributing members of their sponsors' dealerships right away. Putting practical training to work.

Why put off an investment in your dealership's future? Do it now.

NADA: Consulting You Can Grow With.

For more information, please contact:
Cindi Lockard • (703) 821-7216 • (800) 252-NADA

National Automobile Dealers Association
8400 Westpark Drive • McLean, Virginia 22102-3591



DEALER
CANDIDATE
ACADEMY

It's usually worth taking a potential customer on a brief tour of your shop's repair and painting facilities, focusing on your equipment.

Signs. Unless you answer the phone with a catchy message calling attention to your shop's equipment (and that's not a bad idea), the first chance you have to deliver your "equipment message" is with a sign in front of your shop. Many major equipment manufacturers offer signs as part of their customer promotion programs.

A sign is a dramatic way to direct attention to your shop's specialized repair or painting equipment. Even if the prospective customer doesn't completely understand, he may ask, giving you an opportunity to sell your shop's capabilities.

In addition, signs can play a big role in giving a "brand name" impression to your customer. People want the secure feeling that your equipment comes from a well-known manufacturer, not from some tinkerer working in a basement.

Lastly, signs brighten the overall appearance of your facility. A well-lit night sign also might make an impression that will lead customers to your door when their cars need repair.

Guided tour. It's usually worth taking a potential customer on a brief tour of your shop's repair and painting facilities, again focusing attention on your equipment. Of course, this means your employees must keep the shop in relatively good order, but the guided tour approach rarely fails to impress.

Waiting area. This area of the shop—where customers spend most of their time—presents another excellent opportunity to deliver the "equipment message." Even if there's not enough room for seating, you should display certificates of employee training, such as Automotive Service Excellence, and documents showing civic participation and letters from satisfied customers. The waiting room is also a great place to leave brochures and articles that explain what your equipment can do and why that's important.

Specialty items. Key rings, lighters, pens and pencils, calendars, memo pads, coffee cups, caps—these specialty items used as giveaways serve as

friendly reminders and leave the customer feeling that his business is appreciated.

Some shops give a free car calendar, cup caddy or pen with every estimate. Others place a cap or handy area map on the dash or return keys on a new ring when the job is done.

One shop hands out a plastic holder for the car's registration and insurance certificates. In addition to information on the shop and a line or two about its equipment, the holder includes tips on what to do when an accident happens.

Advertising Opportunities

Most new-car dealers depend heavily on advertising to attract new business, but never think about using TV, radio or newspapers to attract body shop customers. Done correctly, however, an ad campaign more than pays for itself several times over in new body shop business.

Television. At first glance, the cost of TV advertising seems the least likely way to reach your customers. Because commercial TV stations reach almost everyone in a wide geographic area, their rates are relatively high.

TV advertising may be within your reach, however. Instead of buying expensive 30- or 60-second spots, investigate the availability and cost of 10- or 20-second commercials. More and more stations offer these alternatives.

Also research the UHF, independent and cable stations serving your area. It's possible that your ad, placed with a popular series of reruns or movies, could reach many potential customers economically.

Radio. A focused reach, both in audience and geographic area, makes radio advertising generally more affordable. While television covers like a shotgun, radio can be aimed like a rifle.

The challenge is to aim that rifle effectively. Try to determine the listening habits of your typical customer. Then, select the station (or stations) with the music and overall programming that appeals to them. After you pick the sta-

tions for your ads, sharpen your aim even more by selecting specific programs and times of day.

Publications. The variety of publications carrying advertising stretches from the Yellow Pages to large metropolitan newspapers and magazines. One of the advantages of printed advertising is "pass-along readership."

Again, the challenge is to choose the publications that reach the people you want to talk to for the best price. A popular local shoppers' guide or monthly community magazine—not a big metropolitan newspaper—may deliver your message most economically.

Direct mail. Mailing advertising directly to potential customers can have dramatic impact. Even though you have to keep an eye on weight, direct mail offers flexibility. Everything from a full-page flier on your unibody repair equipment to a color brochure on your overall operation (with a handy map) can be combined to make an impression.

An accurate mailing list is the heart of any direct mail campaign. While most mailing list companies can provide address lists for specific counties or zip code areas, you should also review the list carefully. You can save substantial printing and postage costs by trimming selected neighborhoods where it's unlikely you'll attract business.

Special Promotions

Whether you participate in a scheduled activity or create one of your own, promotions are an important part of any shop's marketing plan. Here are a few suggestions:

Show time. Shopping mall exhibits, car shows and trade fairs all provide excellent opportunities for you to let the public know about your shop and its equipment. If your repair system is mobile, you can set up an impressive simulated repair. If space is limited, then a photo display or continuous slide presentation will help people see the kind of work your shop can perform.

Open house. More than likely, most of your new business referrals come

BODY SHOP PROMOTIONS

from former customers, service station operators and insurance company representatives. You can accelerate this "word of mouth" advertising by hosting

an open house to inform these groups better about your operation. Sheer numbers may make it impractical for you to invite former customers,

but staging separate open houses for service station operators and insurance representatives could be beneficial.

Guest speakers. Just about any civic organization—Rotary, Lions, Jaycees—has a periodic meeting where it invites guest speakers from the community. Particularly when presented with drawings or color slides, the basic facts about repairing today's cars can make an informative 15-minute program for any club.

Remember, the people active in community affairs are the kind of leaders who shape public opinion. When you help these opinion makers understand the importance of a well-equipped shop for proper repairs and refinishing, they'll spread the word to their many friends and acquaintances.

Publicity. Probably the least understood of marketing tools, publicity is simply notifying the news media when you think you have an item of public interest. It's easier than you might think.

First, don't assume no one's interested. When you add a new piece of equipment or set a record for occupational safety, that is legitimate news in any community.

Second, when you have a story, you don't have to be a writer to get it in print. Get all the facts down and contact your local paper. If the editor is interested, he'll assign someone to conduct an interview and write it for you.

Keep in mind that the smaller the paper, the better the chances that the editor will be interested in your news. It may take a while to educate him about repairing today's cars, but the exposure your shop receives makes the effort worthwhile.

Dave Demarest is president of Metropolitan Car-o-Liner, a distributor of the Car-o-Liner universal bench repair system. A veteran of more than 30 years in the auto body repair industry, Demarest co-owned and operated an independent shop before joining Metropolitan.

Benwil For the shop that demands the best.

In-Ground

Benwil offers one- and two-post models, each rated 8,000 lbs. Exclusive hard-chrome piston extends life up to 1,000%.



See us at NADA,
Booth 1024



TPO

5,500 and 7,000 lb. models with unique overhead support beam for unobstructed floor area. Only Benwil two-post above-ground lifts are free-standing and secure; not dependent upon floor surface for integrity.



FP Series

Benwil offers three four-post models, rated 7,000, 9,000 and 12,000 lbs. capacity. Two smaller models have integral scissors lift for wheels-free service.



SP-45

Single post model lifts 4,500 lbs., is ideal for front-wheel-drive vehicle service.

Benwil

Industries, Inc.

1140 E. Sandhill Ave. • Carson, CA 90746

Toll-Free: 800-421-2943 • In Calif: 213-604-0779

All Benwil products are available from GM Dealer Equipment.

Circle #4 on Reader Service Card

at GM DEALER EQUIPMENT...

ALL SYSTEMS ARE

GO!

HERE'S THE PRACTICAL WAY TO IMPROVE YOUR COLLISION REPAIR QUALITY AND PROFITS AT THE SAME TIME.



GM Dealer Equipment unit body collision repair systems are designed to help you provide the complete service your customers expect. Best of all, you can provide this service within existing space and with current personnel.

EXPAND COLLISION REPAIR CAPABILITY

This self-contained, portable system enables the simple and accurate repair of most domestic and import unit body cars according to their original factory specifications. With dedicated fixtures that provide positive control of critical dimensions. With "Go/No Go" gauges that less skilled technicians can use to assure

proper parts alignment. And with powerful hydraulic rams that supply the necessary push/pull force.

EXPAND CUSTOMER SATISFACTION

GM Dealer Equipment also offers a portable bench-mounted pulling system, with two arms for repair work requiring 360-degrees of pull. And, a universal measuring adapter that greatly extends the use of this compact bench system is also available. It helps your technicians estimate and repair light damage with accuracy.

In addition, GM Dealer Equipment offers a powerful MIG welder for welding all automotive metals up to 1/4-inch thickness, including: steel,

stainless, high strength steel and even aluminum. Featuring manual, automatic stitch and spotweld capability, it's an ideal companion to the bench system you choose for your service department or body shop.

EXPAND SERVICE PROFITS

Whether you're looking for equipment to expand your existing collision repair facilities, or planning to add this capability to serve your customers even better, your GM Dealer Equipment consultant is ready to help. So don't delay. Call today to learn about the simplest way to increase your body shop business and profits.



BOOST BOTTOM-LINE PROFITS!

For details, or to arrange for a visit from a trained GM Dealer Equipment consultant, call:

1-800-GM-TOOLS

(1-800-468-6657)



Dealer
Equipment

GM Dealer Equipment
Renaissance Center
Tower 400, Suite 1500
Detroit, Michigan 48243

Circle #17 on Reader Service Card

BODY SHOP BUYER'S GUIDE

Ammco Tools Inc.
Wacker Park
North Chicago, IL 60064
(312) 689-1111

M.R. May, vice president, marketing
J.R. Dragoni, vice president, sales

Ammco manufactures and markets brake lathes, tire changers, wheel balancers, alignment systems, engine repair tools and equipment, and hydraulic presses. **Circle #50.**

Applied Power Inc.
Automotive Division
1133 W. National Ave.
Milwaukee, WI 53227
(414) 321-7000

Walter H. John, vice president, sales and marketing

Collision repair equipment: unibody and frame repair systems; anchoring systems; pulling systems, universal and dedicated measuring systems; rack systems; collision repair accessories; MIG welding equipment and accessories; direct drive air compressors; lifting equipment, and battery service equipment. **Circle #51.**

Bee Line Co.
6231 State St.
Bettendorf, IA 52722
(319) 332-4066
(800) 553-2010

Bud Olson, vice president, sales

The Beeline 12000 is built for the shop that handles all sizes of foreign and domestic automobiles from small cars through vans, pickups and one-ton trucks, with unibody or frame type construction. Efficient operation with 360-degree access by three pulling towers, utilizing the exclusive multi-pull concept of the tilting towers. **Circle #52.**

Benwil Industries Inc.
20526 Gramercy Place
Torrance, CA 90501
(213) 533-5085
(800) 421-2943

Benwil offers a variety of lifts, including in-ground, overhead support, four-post and single-post models. **Circle #53.**

Binks Manufacturing Co.
9201 W. Belmont Ave.

Franklin Park, IL 60131
(312) 671-3000

Ernest F. Watts, vice president, marketing

Spray guns/drip-proof and agitator, and cups/automotive spray booths; car, truck, bus/infrared curing systems/air compressors/compressed air filters and dryers/respirators/paint strainers/air hoses and accessories. **Circle #54.**

Buske Industries Inc.
1005 Market St.
P.O. Box 190
Gowrie, IA 50543
(515) 532-3125
(800) 362-8753

Auto body collision repair system consisting of PL-650 collision post, body shop floor tie-downs for new floor pour and existing floors, panel brake, Accu-Trak measuring system, Room-A-Rack, plus all attachments for body and frame pulling. **Circle #55.**

Car-o-Liner Co. Inc.
27581 Schoolcraft Road
Livonia, MI 48150
(313) 427-5200

Robert C. Moore Sr., director, sales and marketing

Manufacturers of the Car-o-Liner universal bench repair system for the structural repair of unibody and full-frame vehicles. Market's four-wheel alignment computer, stands, rack and accessories. **Circle #56.**

Celette Limited
2725 W. Fifth North St.
Summerville, SC 29483
(803) 875-1241
(800) CELETTE

Unibody repair systems, including dedicated bench and universal measuring systems. Complete line of pulling equipment, hydraulics and accessories. **Circle #57.**

Chief Automotive Systems Inc.
1924 E. Fourth St.
Grand Island, NE 68801
(308) 384-9747

James P. Zana, vice president, marketing

Chief EZ Liner Systems (three models) are universal collision repair systems that use multiple/simultaneous pulling techniques to return damaged unitized body and convey-

ational frame vehicles to original factory specifications. All systems incorporate Chief's universal gauging system for accurate repair analysis. Chief also offers the new Dimension III Universal Measuring System, which sets up in minutes and stays attached to the vehicle throughout the repair. Dimension III works on all unitized body, framed and light trucks. **Circle #58.**

Continental Collision Repair Systems
Route 5, Box 178
Alexandria, MN 56308
(612) 852-7500
(800) 328-2047

Tim Fisher, director of North American sales

Collision repair equipment features Continental's universal measuring system with data measured in its own research facility; a drive-on-bench with 360-degree pulling and total portability; and the uni liner, for pulling large frame and unitized vehicles. **Circle #59.**

Dinerman Equipment Manufacturing
304 Brandywine Road
Savannah, GA 31405
(912) 355-6720

David Dinerman, president

Auto and truck body and frame straightener; extra-heavy duty, patented, slotted rail, in-floor design; truck unit can be designed for any strength and length—30, 60 or 80 feet. **Circle #60.**

ECP Inc./Auto Armor
1200 Jorie Blvd.
Oak Brook, IL 50521
(312) 986-2400
(800) 323-3521

Circle #61.

FMC Corp.
Automotive Service Equipment Division
2000 Market St.
Philadelphia, PA 19103
(215) 299-6000

Bob Duckwitz, vice president, sales

The Automotive Service Equipment Division of FMC manufactures a complete line of wheel service equipment, including tire changers, wheel balancers, brake lathes and wheel alignment equipment. Of special interest to the body repair industry is FMC's

ATTENTION: CAR DEALERS & SERVICE MANAGERS AT LAST! THE CURE FOR THE COMMON CSI



A PERFECT GIFT FOR YOUR NEW OR USED CAR BUYER

This promotion is designed to bring your car buyers back for scheduled and recommended maintenance. A total program of 4 years or 48,000 miles insures a high CSI and will sell a lot of cars!

71 DEALER RECOMMENDED OFFERS AT A 10% DISCOUNT

And to put a little icing on the cake, we've added an Automobile Preventive Maintenance Schedule (APMS) that includes, at 3000-mile intervals, 3 free oil changes and 15 scheduled lube, filter & oil changes at 25% off your retail price list.

USED BY DEALERS IN 42 STATES

Dealer feedback:

- "The book is a peace-of-mind security blanket."
- "Percentage discounts work in book form."
- "New car owners are using the coupons for scheduled maintenance."
- "It's a dynamic point-of-sale close."
- "It makes 'car tryers' into car buyers."

SPECIAL \$5.00 BOOK OFFER

With every book ordered (\$5.00 each) you will receive free one General Manager letter and custom envelope. With each order placed you will receive free small and large posters, plus ad slicks.



GE Haley, Consultant
Past President ATAE
36 years service
Michigan ADA

A SPECIAL INVITATION TO ALL AUTOMOBILE TRADE ASSOCIATION EXECUTIVES

To be part of this distribution network fulfills (1) a dealership need, (2) an automaker want, (3) a car buyer value! It's a Win-Win-Win. And our associations are its natural conveyance vehicle. If we have not talked about your participation, please call me collect: (517) 361-6916. I look forward to visiting with you at our Mackinac Island Convention on July 13-16, 1986.

ORDER NOW FOR A 10% BOOK BONUS!

To order or for more information, ask for Bob Franks
Call Toll Free: 800-521-9640

CAMPPO—Car Aftermarket Promotions Company
1400 N. Woodward Ave., Suite 201, Birmingham, MI 40011

Innovations in Profits

For nearly 200 years, the most innovative paints in Europe have been produced by one company: SIKKENS.

The Sikkens SYSTEM TECHNIQUE is designed to upgrade your Body/Service Department's profitability while decreasing the amount of time the Department spends on preparing and painting autos.

Sikkens covers all aspects of training your employees thoroughly in the SYSTEM TECHNIQUE as well as providing continuous technical support for particularly difficult jobs.

No other automotive aftermarket

paint can match Sikkens Autabase® or Autocryl® acrylic urethane enamel finish for color, shine, gloss retention and durability.

But the Sikkens System goes deeper. To the anti-corrosive primer and filler.

To the world's most advanced color matching and mixing system — the Sikkens Caroussel.™ With the Caroussel over 12,000 colors can be easily formulated to match almost any original color.

Sikkens Autabase basecoat/clearcoat also provide the deep-down color and gloss found on the finest autos

manufactured today.

Find out more about the most innovative, technologically advanced automotive refinishing system available in America. Contact Sikkens today.

sikkens®

6455 Jimmy Carter Boulevard

Suite 100

Norcross, Georgia 30071

Tel. (404) 662-8464

A division of Akzo Coatings America Inc.



Automobile provided by ASC/McLaren

• ATLANTA
• BOSTON
• CHICAGO

• CLEVELAND
• DALLAS
• DENVER

• DETROIT
• FT. LAUDERDALE
• HOUSTON

• LOS ANGELES
• NEW YORK
• PHILADELPHIA

• PITTSBURGH
• PORTLAND
• ST. LOUIS

• SAN DIEGO
• SAN FRANCISCO
• SEATTLE

• TAMPA
• WASHINGTON
• BALTIMORE

© 1985 Sikkens

Circle #31 on Reader Service Card

new Visualiner II computerized four-wheel alignment system. **Circle #62.**

Ford Motor Co./Rotunda Equipment
3000 Schaefer Road
Dearborn, MI 48121
(800) 762-6181

Circle #63.

Framaligner Manufacturing Co. Inc.
2113 Border Ave.
Torrance, CA 90501
(213) 320-7713

Manufacturers of Framaligner unitized gauge system for conventional as well as unitized construction. Also manufactures a portable drive-on collision correction rack accommodating unitized cars, frame cars and light trucks. Equipped with special gauging and clamping system. Two or more power units completely circle the rack. **Circle #64.**

General Motors Dealer Equipment
Renaissance Center
Tower 400
Suite 1500
Detroit, MI 48243
(800) GM-TOOLS

General Motors Dealer Equipment offers complete unit body repair facilities. **Circle #65.**

Grabber Manufacturing Co. Inc.
Route 3, Box 13
Brunswick, GA 31523
(912) 264-1804

Autobody frame and collision repair equipment and related accessories. **Circle #66.**

Hein-Werner Corp.
1005 Perkins Ave.
Waukesha, WI 53186
(414) 542-6611

G.M. Peiffer, vice president, automotive division

Hydraulic body/frame repair kits, hydraulic hand jack, service jack, vehicle stands, end lifts, cranes, engine stands. **Circle #67.**

Kansas Jack
Division of Hein-Werner Corp.
1101 W. First St.
P.O. Box 1286
McPherson, KS 67460

YES.

Yes, our polishing machine can add from \$60,000 to \$200,000 of "found" profits.

Turn your cost centers into profit centers. Along with this \$30,000 state-of-the-art polisher, we provide 100% free maintenance, including all parts, labor and supplies.

No capital investment.*

We make no additional money until you sell the vehicle. So you save on labor while cash-flow problems disappear.

Say "YES" and we'll install this profit-making polishing machine in your dealership. The results will shine on your bottom line.

For more information, phone 1-800-323-3521. In Illinois 1-312-986-2400.

Or complete the attached coupon and mail to ECP Inc., 1200 Jorie Blvd., Oak Brook, IL 60521. A wholly owned subsidiary of Daubert Industries, Inc.

*Dealership to provide the necessary electrical wiring and compressed air outlets and pay a nominal shipping and installation fee.

Yes, I'd like more information including the free video presentation. I understand I am under no obligation.

NAME _____
DEALER/SHOP _____ TITLE _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
PHONE _____

← ARMOR POLISHING
State of the art profit making machines

ECP Inc., 1200 Jorie Blvd.,
Oak Brook, IL 60521

© 1986 ECP Incorporated

Circle #13 on Reader Service Card

BODY SHOP BUYER'S GUIDE

(316) 241-0830
(800) 235-5225

James P. Queenan, vice president, sales

Automotive collision repair and wheel alignment equipment; Total Vehicle Alignment measuring systems and vehicle specification books; stationary and portable straightening equipment. **Circle #68.**

Kwik-Ezee Inc.
54 Brooklyn Ave.
Westbury, NY 11590
(516) 333-3120

Wheel alignment equipment for passenger cars and heavy duty trucks; wheel balancing equipment. **Circle #69.**

Markham Equipment Co.
Division of Mecro Inc.
2006 Olive Ave.

Burbank, CA 91506
(818) 841-3200

Markham Equipment Co. was established in 1974 to design and build vehicle service facilities. The company specializes in turnkey design, and supply and installation of service equipment. Featured equipment: lifts, air compressors, lubrication, paint booths, frame service equipment, parts bins and alignment systems. **Circle #70.**

Nicator Inc.
27 Commercial Blvd.
Novato, CA 94947
(415) 883-8426
(800) NICATOR

Hans Heikel, marketing director

Frame straightening equipment for the auto body repair industry. Also allied body shop

equipment such as jacks, hydraulics, clamps, tram gauges, stretch sets and power punches/crimpers. **Circle #71.**

**Paulee Universal Bench/
Paulee Equipment Sales Inc.**
3049 S. La Cienega Blvd.
Culver City, CA 90230
(213) 837-7721

Walter J. Dost, general sales manager

Paulee universal benches and accessory equipment for the repair of unit body constructed cars according to manufacturers' specifications. Specialty body shop equipment includes small hand tools, MIG welders, vacuum systems. **Circle #72.**

Refinishing Envirosystems Corp.
16 Hooper St.
Westwood, NJ 07675
(201) 666-7740
(800) 526-0347

Hans Leo Ledermann, vice president

Nationwide suppliers and installers of "Paint'n'Cure" downdraft spraybooth/curing systems, including autobody preparation platforms, pressurized paint mixing rooms and other related equipment. **Circle #73.**

Rotary Lift Division/Dover Corp.
P.O. Box 30205
Airport Station
Memphis, TN 38130
(901) 345-2900 (TN)
(800) 445-LIFT

William E. Peterson, marketing director

Rotary Lift offers a wide variety of above-ground and in-ground lifts. **Circle #74.**

Sikkens Car Refinishes
6455 Jimmy Carter Blvd.
Norcross, GA 30071
(404) 662-8464

Circle #75.

Spraybooth America Corp.
104 Wagaraw Road
P.O. Box 14
Hawthorne, NJ 07507
(201) 423-2648

Downdraft spraybooth using European technology. Pro-Master spray finishing systems also include downdraft preparation center. **Circle #76.**

For free information on products and services advertised and featured editorially in this issue . . .

Simply fill out the attached postcard. Circle the numbers which correspond to the advertisements and items mentioned in this issue.

Circle #	Advertiser	Page	Circle #	Buyer's Guide	Page	Circle #	Showcase	Page
1	Admark	7	50	Ammco Tools Inc.	46	80	Creation Windows	59
2	ARA Manufacturing	34	51	Applied Power Inc.	46	81	Donmar	59
3	Benmatt	54	52	Bee Line Co.	46	82	Dover Corp./Rotary Lift	
4	Benwil Industries	44	53	Benwil Industries Inc.	46		Division	59
5	Boeg-Warner	24	54	Binks Manufacturing Co.	46	83	ECP Inc.	59
6	Campco	47	55	Buske Industries Inc.	46	84	Hella	59
7	Car-o-Liner	28-29	56	Car-o-Liner Co. Inc.	46	85	JH Systems Inc.	60
8	Cars & Concepts	23	57	Celette Limited	46	86	Pompano Manufacturing Corp.	59
9	Cars & Concepts	18	58	Chief Automotive Systems	46	87	Shampoo Sponge	
10	Cars & Concepts	55	59	Continental Collision Repair			International	60
11	Dealer Candidate Academy	42		Systems	46	88	Slant Brush Systems	60
12	Dover Corp./Rotary		60	Dinerman Equipment		89	Sunset Cos.	60
	Lift Division	40		Manufacturing	46	90	Tipco	60
13	ECP/Auto Armor	49	74	Dover Corp./Rotary		91	Turbo-Wash	60
14	Elscro	2		Lift Division	50			
15	Ford ESP/EPP	30-31	61	ECP Inc./Auto Armor	46			
16	Ford Rotunda	Cover 4	62	FMC Corp.	46			
17	GM-Dealer Equipment	45	63	Ford Motor Co./Rotunda				
18	GM-Protection Plan	6		Equipment	49			
19	General Warranty	36	64	Framaligner Manufacturing	49			
20	Infinity Conversions	21	65	General Motors Dealer				
21	JW Lighting	27		Equipment	49			
22	Johnson Motorcars	17	66	Grabber Manufacturing Inc.	49			
23	MaxGuard	53	67	Hein-Werner Corp.	49			
24	Mechanical Insurance		68	Kansas Jack	49			
	Associates	33	69	Kwik-Ezee Inc.	50			
25	NADA Convention	15	70	Markham Equipment Co.	50			
26	National Hole-in-One	17	71	Nicator Inc.	50			
27	Oakleaf	4	72	Paulee Equipment Sales	50			
28	Pletz	7, 50, 54	73	Refinishing Envirosystems	50			
29	Safelok	50	75	Sikkens Car Refinishes	50			
30	Saginaw Steering	1	76	Spraybooth America Corp.	50			
31	Sikkens Paint	48						
32	Sports Achievement							
	Association	39						
37	Sunset Cos.	56						
33	Tech Trans	Cover 3						
34	Thermo-Guard	57						
35	Universal Underwriters	Cover 2						
36	Western Diversified	35						

INSTANT SHOP PROFITS

DO YOU WANT TO INCREASE YOUR CUSTOMER PAID SHOP LABOR BY \$700 to \$900 PER TECHNICIAN PER WEEK?

GUARANTEED!!!

FOR A FREE SAMPLE, CALL KEN PLETZ, TOLL-FREE 1-800-824-7888 EXTENSION M2534 OR SEND YOUR BUSINESS CARD TO:

PLETZ SALES PROGRAMS

1669 S. VOSS, SUITE 900
HOUSTON, TEXAS 77057.

Circle #28 on Reader Service Card

SAFELOK KEY CONTROL MEANS DEALERSHIP PRODUCTIVITY



- Eliminates sales interruptions due to key boards
- Eliminates need to key-up-key-down
- Makes lot management simple
- Eliminates need to spend on key duplication
- Changeable stainless steel cylinder and key
- Less than 5 seconds to change key combination on your lot
- Proven in more than 1,000 dealerships in North America
- A fast, responsive service organization to react to dealer needs
- No charge for the initial order for Keys
- 3 year warranty



Systems Incorporated
1051 Clinton Avenue
Buffalo, New York 14206
Phone (416) 854-2592

Circle #29 on Reader Service Card

SERVICE DEPARTMENT



Parts Department Efficiency

Customer satisfaction ratings rely on your parts department's performance, which is directly related to the performance of other departments. The sales department depends on the parts department to supply it with all the necessary accessories to dress up a car. Higher gross profits on used and new cars are partly the result of proper purchasing of needed parts and accessories by the parts manager.

The service department could not function without the parts department for long. If the service department closed, the parts department could exist by selling wholesale and retail over the counter. If the parts department closed, the service department would soon be out of business.

A properly managed parts department is essential for high customer satisfaction ratings. As a support department it is often taken for granted and not frequently addressed when we attempt to improve our CSI scores. A well-trained manager and staff are, of course, the backbone. Another important facet is the physical layout. It is often limited by the design of the building and usually cannot be easily changed. To address this issue, we must look at several areas: parts sales, inventory control and planning.

Parts inventories grow with each model year. More sophisticated products and increased sales volumes constantly add to the type and number of parts stocked in your department. Inventories average 6,000 to 15,000 items for the typical dealer. Often, with rapid growth in inventories and sales, managers do not find time to evaluate their needs for changes in the physical layout. This facet of a manager's responsibility is among the most neglected because it is time consuming, difficult for the inexperienced person and has rarely been taught.

The increase in volume of business and the need to help protect inventories against obsolescence are directly related to a properly laid out parts department. The future will bring larger inventories and even more dependence on the parts department. The proper time to plan for these changes is before the issue becomes a crisis.

You should start out by drawing an exact "blueprint" of your parts department, including bin locations, sizes and allocation of space within bins. This part is important because most managers find that the decisions on where to put certain size parts, establishing numerical sequences and other tactical requirements absorb a great deal of a manager's time. Once they are properly set up, however, they make sales more efficient and improve employee performance. If you are planning to expand your facility or build a new one, the time to "blueprint" your needs is before you move a single part.

In detailing the exact needs for a successful "blueprint," you must include the bin type, bin size, part number to be stored in each compartment, the number of shelves, number of dividers and, of course, a margin for growth. These parts must be stored in areas that are set up within the pattern of part numbers and group numbers but also must follow sequence within the department physical layout.

All these aspects of a proper parts department layout will benefit your operation greatly. They will protect your parts inventory and arrange it according to the most efficient and labor-saving system. They will support your inventory control system regardless of which

THE GREATEST SALES CONTEST OF ALL TIME

USED BY OVER 1000 CAR DEALERS AND CHRYSLER CORP. OUR PATENTED SALES CONTEST WILL TURN YOUR PLODDERS INTO PRODUCERS.

GUARANTEED!!!

FOR A FREE SAMPLE CALL KEN PLETZ TOLL-FREE 1-800-824-7888 EXTENSION M2534 OR SEND YOUR BUSINESS CARD TO:

PLETZ SALES PROGRAMS

1669 S. VOSS, SUITE 900
HOUSTON, TEXAS 77057

Circle #28 on Reader Service Card

FACTORY DIRECT "SAVINGS"

ON YOUR ON VEHICLE IDENTIFICATION PRODUCTS



CALL TODAY
1-800-321-5190

(In Calif.) 714-522-6410

EMMATT INDUSTRIES, INC.
7100 Knox Ave. Suite 155
Buena Park, CA 90620-1373
SERVING AUTO DEALERS SINCE 1936

Circle #3 on Reader Service Card

NEW
PRODUCT INTRODUCTION



TOP QUALITY... SKYLITE™ ELECTRIC SUNROOFS

Cars & Concepts takes luxury to the top with the introduction of the new Series 35 Skylite Electric Sunroof.

The New Series 35 Skylite Electric Sunroof joins our Skylite Series 32 in a growing line of Top Quality roof conversion products. Our Skylite Electrics offer an impressive list of design and convenience features all in one package.



• **VENT OR RETRACT** Cars & Concepts gives you the only electrics on the market that retract completely to give you all the sky you paid for. The solar glass panel vents or retracts with the push of a single button. A built in wind deflector automatically moves into position when the panel is retracted to channel air smoothly over the opening.



• **INTERIOR** Our new Skylite Series 35 and Series 32 offer the most headroom compared to any other electric on the market. The Skylite Series 35 has a traditional solid sunshade while the 32 offers a louvered sunshade design for flow-through ventilation.

• **EXTERIOR** Skylite Series 35 gives you the choice of standard satin black or optional chrome trim to coordinate with today's luxury vehicles. In addition, the leading edge of the Series 35 is gracefully swept to flow with the curve of the windshield. The Series 32 is standard with satin black trim.



Set up an appointment today — our Authorized Dealers will be happy to demonstrate any of our Top Quality Skylite products. Contact Cars & Concepts for the location of the Authorized Dealer nearest you. In Michigan call (313) 227-1400, or toll free 1-800-521-9753.



CARS & CONCEPTS

12500 E. GRAND RIVER AVENUE BRIGHTON, MI 48116
(313) 227-1400

Circle #10 on Reader Service Card

one you are using. This layout also allows for controlled growth in the changing size and shape of the inventory.

Employee morale will improve because of the easier day-to-day operation of the department. Fast-moving parts properly placed will expedite service to technicians. Counter personnel will increase their productivity—a big concern, with the increasing cost of personnel.

It is important to eliminate some of the problems encountered by the parts people who service many people each day. Instead of wasting time searching for something, they can be more productive selling something they can readily find and bring to the counter or wholesale door outlet.

Dealers are often ready to expand

their facilities, but many parts departments are nowhere near maximum utilization for their present square footage. Once a department is "blueprinted" into efficiency, it may actually have an excess of square footage. There may even turn out to be space for future expansion within the existing walls.

A properly run parts department also will improve your dealership's image. Technicians will want to work in your service department. Your service department's production levels will go up and your customers will be happier because their cars will be fixed the first time and they won't have to return for an "ordered" part.

When we look to improve technician productivity we usually ignore the parts department's effect on it. The techni-

cian who stands in line at the parts department counter waiting for a part is a very expensive individual to have idle. Sometimes a part is ordered that you may have in stock but cannot find. The do-it-yourself customers demand fast service such as they get at the discount stores. Your counter people must be able to answer questions and work face to face with these people as much as possible to establish and increase this profitable sales area.

A properly designed parts department will help reduce obsolescence, inefficiency, lost sales, loss of inventory and damage to parts. It will increase your profitability, improve employee morale and raise your customer satisfaction index.

—Ron Joffe

THE TAMMERMATIC

LEAN, MEAN CLEANING MACHINES!



Tammertmatic...the perfect choice for you!

What with the steadily increased cost of labor, coupled with its decreased availability...sooner or later it will make sense to install an Automatic Car Wash System.

Your choice of systems becomes easy when you compare the costs of washing and drying cars or trucks by hand...to the operating cost of any one of the Sunset/Tammertmatic car wash models.

Mean on dirty car inventory. Lean on operating costs.

If you have been considering replacing your present car wash machine or purchasing a new machine—now is the time. Now, because Sunset Companies is offering Special Savings on their full line of car and truck wash machines from Tammertmatic.

SUMMER "CLEAN-UP" SPECIAL

Receive **10% off** the purchase price of the XJ-1 Drive-Thru Model, the Fiesta Model, the Typhoon Model, or the Rainbow Bus/Truck Washer when purchased between now and August 31, 1986. Ask about our Special Offer for NADA members.

Call or Write Today for More Information

1-800-222-3662

(In Michigan Call 313-867-1900)

SUNSET COMPANIES, INC.

14400 OAKLAND AVE. • HIGHLAND PARK, MI 48203

Circle #37 on Reader Service Card

These Dealers Put Their Trust In Thermo-Guard



"Thermo-Guard products have served us well over the years...their representative is always responsive to our needs. A good company to deal with."
H.J. Laney,
General Manager
Coral Volkswagen-Subaru
West Palm Beach, FL



"I have been associated with Thermo-Guard since our opening in July 1983. It has been a pleasure dealing with their representative and the entire staff of Thermo-Guard."
Robert A. Leo,
General Sales Manager
North Palm Beach Honda
Lake Park, FL

"We have found that the Thermo-Guard process adds additional value to our cars and trucks and we are pleased to offer this additional protection to our customers."

Mark Packer,
General Manager
Al Packer Ford
West Palm Beach, FL



**CALL US NOW FOR A MARKETING
SURVEY OF YOUR DEALERSHIP.**

Thermo-Guard®

PROTECTS YOUR CUSTOMERS IN EVERY STATE

THERMO-GUARD, INC. • International Headquarters:

3800 Inverrary Boulevard, Ft. Lauderdale, FL 33319

305-735-4700 in Florida • Toll free 800-327-5120 • Telex 701342 THERMO UD

IN CANADA:

3397 American Drive, Unit 22, Mississauga, Ontario L4A4V178 • 416-675-5672



Circle #34 on Reader Service Card

Security that beats the streets

Nobody beats Black Max.

You can customize a Black Max system to handle any trouble in town. Start with the ultimate MaxiShocker™ that detects both motion and sharp impact to the vehicle, and an instantly screaming mechanical siren. Add the Maxi-Lok®, case-hardened steel hoodlock and TuBar key with over 5,000,000 combinations. Include an automatic starter interrupt. Or a remote control. Because Black Max is a step-up system and complete line of components, you can make any car the champion of the streets. In fact, that's what we call our ultimate system... Black Max Champion.



MaxiGuard's support is tough to beat, too. Over 27 years of experience, hotline technical support, a growing family of dealers coast-to-coast, lifetime parts guarantee and an expanded national advertising program make MaxiGuard's Black Max unbeatable.

If you want to secure your profits, call MaxiGuard today. Toll Free 1-800-323-6601.



MaxiGuard
OF AMERICA
Security That Beats the Streets
2700 Tindley Ave., Elk Grove Village, IL 60007
Call TOLL FREE 1-800-323-6601

Circle #23 on Reader Service Card

SHOWCASE



PACKAGED WINDOWS

Creation Windows offers a window package for resale, with installation hardware, instructions and interior accessories. The package enables dealers to make custom windows part of their over-the-counter program for vans, trucks and commercial vehicles.

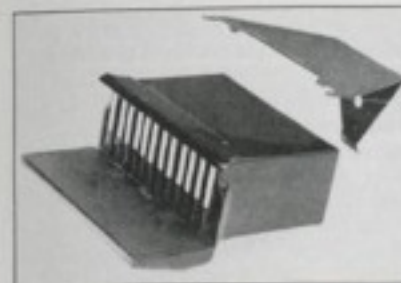
Circle #80 on Reader Service Card



CASSETTE STORAGE

Pompano Manufacturing Corp. has introduced the Cassetter Compac, an illuminated cassette storage system for smaller cars. This compact model, which organizes and protects up to 12 cassettes, automatically lights up when the door is opened. High-visibility identification labels make it easy to find the desired cassette, and leaf-spring suspension provides simple, two-finger selection. The system mounts under the dashboard and can be installed in 15 minutes.

Circle #86 on Reader Service Card



MULTI-FACETED LIFT

New from Dover Corp.'s Rotary Lift Division is the System 5000, which allows the shop owner to use a bay 100 percent of the time because of the wide variety of service functions it can perform, the manufacturer says. Jobs that can be done include complete tire service, transmission service, oil and lube jobs, and strut and CV joint services. Included in the package are either an in-ground or above-ground lift, heavy-duty runways, turning radius gauge, a four-wheel alignment system, two rolling bridges and two rear slip plates.

Circle #82 on Reader Service Card



POLISHING MACHINE

ECP Inc. offers the Armor Polishing Machine, which applies paint protection to a vehicle in 15 minutes. Auto Armor furnishes the polishing machine, Auto Armor paint sealant, free maintenance, sales training and all training aids.

Circle #83 on Reader Service Card

Information and photographs of products listed in Showcase have been provided by manufacturers' press releases. A product's appearance in this column in no way implies an endorsement by either NADA, the NADA Services Corp. or Automotive Executive.

HIGH-INTENSITY LAMPS

Hella offers a new series of durable auxiliary high-intensity halogen lamps for all vehicles. The series includes spot, fog and flood lamps, available with 55- and 100-watt bulbs. All lamps feature a computer-designed lens and a choice of chrome or black housing and five- or six-inch sizes. They have a replaceable bulb, shock absorbing swivel mounting bracket, stainless cable sheath and lens cover.

Circle #84 on Reader Service Card



SLIDING SUNROOF

Skyroof, the sliding sunroof from Donmar, has all-aluminum one-piece construction, low-profile tracks and a dual seal system, ensuring leak-proof performance. Its tempered glass panel is mirrored and smoked, and is available with a ceramic screening to eliminate further heat and glare. The panel slides open with easy one-hand operation, according to the manufacturer.

Circle #81 on Reader Service Card



SPECIAL SHOWCASE



Car Wash

ROLLOVER WASH

Slant Brush Systems says its 460A Roll-over Vehicle Wash delivers more total brush coverage by using patented slanted side brushes instead of conventional vertical brushes. Two horizontal-wrap top brushes clean the front and rear of the vehicles. The system needs no electrical or sensing devices to position its brushes, which last up to 400,000 cycles, and the brushes never change their direction of rotation.

Circle #88 on Reader Service Card

SHAMPOO SPONGE

The Shampoo-wax Sponge, a disposable rolled sponge for retailers, is compressed for easy handling and storage, according to the manufacturer, Shampoo Sponge International BV. The sponge, filled with a shampoo-wax, expands to full size on immersion in water. The packaging allows the use of compact point-of-sale display boxes for counter and shelf areas.

Circle #87 on Reader Service Card



PORTABLE CAR WASH

So Brite, from JH Systems Inc., keeps lot cars clean with a reverse osmosis process that purifies the water. It needs no wiping and doesn't leave the film that tap water does, the manufacturer says. The water can be delivered by pickup, an underground pump, trailer or a specially designed tractor/trailer.

Circle #85 on Reader Service Card

TURBO-WASH

Turbo-Wash, a pressure washer that attaches to a garden hose and can be used to clean motor vehicles or any outdoor surface, can be sold over the counter. It holds eight ounces of soap and comes prefilled from the factory. Turbo-Wash contains a bladder that allows the metering of soap and eliminates the flushing effect. It has a telescoping nozzle and three interchangeable tips.

Circle #91 on Reader Service Card



CLEANING MACHINES

The new line of Tammertatic Lean, Mean Cleaning Machines from Sunset Cos. was designed and built with the high-volume needs of the dealer in mind, the manufacturer says. The soft wraparound brushes, together with tap water and spray detergent, wash all areas of the vehicle, from the wheels to the roof. The Fiesta and Typoon systems have dryer nozzle and high-volume air flow.

Circle #89 on Reader Service Card

HOSELESS CAR WASH

Jarl's No Mess-Hoseless Car Wash and Protectant from Tipco cleans, shines and protects a car's finish in one step, and can also be used to clean all vehicle interiors, including floor carpeting according to the manufacturer. It operates on a principle of molecular surface protection through quantitative energy transformation, while working as a gentle all-round cleaner.

Circle #90 on Reader Service Card

LETTERS



"Promo Power" Misses Mark

After reading "Promo Power" in the April 1986 issue of *Automotive Executive* I am compelled to respond to the inaccuracies reflected throughout this article.

The writer, Ted Orme, spent almost an hour interviewing me regarding my company, The Gift Connection. From that interview, he managed not only to misspell my name, but also to inaccurately describe the services we provide to dealers.

Post-sale marketing, as most dealers know, is crucial to customer satisfaction. If properly executed, this results in greater word-of-mouth advertising, more referrals, increased profits and higher CSI. Unfortunately, many dealers have been fooled by companies that offer gimmicks and toys rather than a complete marketing program.

The Gift Connection program was created from years of testing and research. Our formula for success is simple, and we share it here for the benefit of interested dealers.

After the sale, a gift should be hand-delivered to the customer, preferably to his or her office. This spreads the dealership's name and goodwill.

The gift should be a quality item that can be shared by all. In our case, it's a tin of imported Danish butter cookies. Included with this gift should be a thank-you note with the dealership's logo or signature. A response card is also a must. This card should be stamped and addressed back to the dealer, asking the customers for comments on their experience, how they heard of the dealership and referrals for new business.

The salesperson should then call the customer 30 days following the sale to deal with any customer dissatisfaction. In addition, a follow-up card should be sent to each customer four months after the sale (prior to the manufacturer's CSI survey), asking for feedback on the service department.

The final stage of a comprehensive post-sale program is the use of old customers to generate new sales. We have designed a Service Department Sales Lead System in order to satisfy this dealership need.

Proper follow-up can have a tremendous effect on auto sales. In the interest of promoting better customer satisfaction, all of us at The Gift Connection are available to offer advice. We invite dealers to call our toll-free number: 1-800-448-4438.

David Reiss
The Gift Connection
Sherman Oaks, CA

G E R R I N G L U X U R Y V A N S

The 1986 collection of luxury vans from Gerring will arouse your driving instinct. The inward excitement begins the moment you select the Chevy van that's right for you.

The "Gerring Look" is one of tasteful refinement, distinct clarity of line and smooth contours. The interior, surroundings are tailored to conform to you... not the other way around, and designed for uncomplicated driver operation.

By continually building on proven design, Gerring creates more than a custom van... they create a classic.



Circle #33 on Reader Service Card

For more information or literature, call or write:

TECH TRANS, INC.

17090 Stone Road 120 E.
P.O. Box 158
Bristol, Indiana 46507
(219) 848-7655

ACHIEVEMENTS IN AUTOMOTIVE ARTISTRY



• SERVICE ANALYZERS • PHOTOELECTRIC TACHOMETERS • CABINETS • AIR CONDITIONING CHARGING
 WRENCHES • SERVICE WRITE-UP DESKS • BALANCE PRINTERS • METRIC SOCKET SETS • VISES • BALANCE
 STANDS • STOOLS • CUTTER BITS • CAR AND TRUCK
 AIR-DRYER CONVERTER AND OIL COOLER CLEANERS • MACHINERY
 • BUSINESS EQUIPMENT • AIRLESS UNDERCOATING
 MANOMETERS • COMPUTERIZED ENGINE ANALYZERS • H
 JACKS • TIME RECORDERS • HEADLIGHT AIMING KITS
 AUXILIARY REFUELING TANKS • VALVE GUIDE SERVICING KITS
 FLUORESCENT LIGHTS • ORBITAL POLISHERS • PIT RACKS • E
 REELING REELS • MIG WELDERS • PAINT SPRAY BOOTHS • W
 ALIGNMENT SYSTEMS • SHOP FURNITURE • VALVE REFINISHING
 IMPACT WRENCHES • PARTS BINS AND STORAGE EQUIPMENT
 UN-OUT GAUGES • MINI LUBE CENTERS • WIG NUT KEY SETS
 JACKPHERSON STRUT EQUIPMENT • CHARGING/STARTING A
 TRAFFIC CONTROL SYSTEMS • BATTERY CHARGERS • TIMING I
 PHOTOELECTRIC TACHOMETERS • DIESEL ENGINE SERVICE T
 RAKE AND DISC LATHES • TRANSMISSION JACKS • ENGINE F
 STANDS • HYDRAULIC PRESSES • TOOL KITS AND CHESTS • FL
 CONTROL SYSTEMS • PARTS AND BRAKE WASHERS • SOLVENT
 CHEMICALS AND PAINTS • VACUUMS AND SCRUBBERS • CAI
 COMPRESSORS • ELECTRONIC PRECIPITATORS • BODY FRAM
 MACHINES • TRUCK SYSTEMS • FUELING JACKS AND S

ATTENTION: Ford and Lincoln-Mercury Dealers

Rotunda 
RIGHT FOR TODAY • RIGHT FOR TOMORROW

From computerized engine analyzers and alignment equipment ... to hand-held testers—Rotunda has it all! We're a full-line, full-service equipment supplier, dedicated to keeping Ford and Lincoln-Mercury dealers at the forefront of profitable vehicle service and customer satisfaction.

When you buy a Ford or Lincoln-Mercury vehicle, you get more than just a car. You get products that are evaluated and tested on Ford and Lincoln-Mercury vehicles to assure they're right for your dealership ... right for today ... and right for tomorrow.

We offer: • Free facility and equipment consultation • A national service network • On-site training and access to supplier training centers • Competitive prices • Comprehensive finance plans • Toll-free telephone hotlines.

At Rotunda, we're proud of the service we have provided to Ford and Lincoln-Mercury dealers for the past 22 years. Moreover, we pledge a dedicated effort to continue to be at the leading edge of service technology and dealership service profitability.

Circle #16 on Reader Service Card